The Southern Country Store 1800-1860

BY

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Louisiana State University Press

BATON ROUGE

MADE IN THE UNITED STATES OF AMERICA

To

Louise Ann

and

Barbara

Preface

The following pages are devoted to a social and economic history of what eastern businessmen often called the "country and interior trade" of the Old South. Crossroads stores and mercantile establishments in larger towns back from the sea coast were grouped within the commonly used meaning of the phrase. The dates given in the title are approximations only. Around 1800 short-staple cotton began its sweep across the South, carrying with it a great transformation in social and economic life. In 1860 the Old South was on the verge of a war which was to modify part of the old order and to expedite changes already under way. Although southern staples sold widely in world markets, the writer has limited himself to consideration of local and national aspects of the problem.

At no time during the period was the South a closely knit economic and social unit; variations between parts and an evolutionary development within each marked the course of events. The writer has attempted to keep this constantly in mind, and has tried to include only those things for which substantial evidence has been available for more than one locality. Some topics have been omitted because they have been treated in other studies. Transportation has been studied by a number of historians, for instance, and only the relation of this to southern merchandising has been emphasized. No attempt has been made to map the trade territory of particular southern towns and cities. Special studies of this type need to be made.

Some may disagree with the writer's terminology and will wish for specific definitions of "West" and "South," of "merchant" and "storekeeper," of "region" and "section," and so on. Some will ask why Tennessee has been given a more prominent place in the study than Kentucky, since both seemingly should be included or both omitted. The only defense for this is that the writer has touched on Kentucky in former studies. The present book has been written with the idea that it is better to keep in

mind the necessity of clarity in terminology as one proceeds from page to page than to set up a system of arbitrary definitions and then pour the study into the hardened mold.

The student will find material on southern storekeepers in almost any kind of ante-bellum manuscript material, no matter how far it may seem to be removed from the subject. The story is both easier and harder to write for that reason. One would have to study every piece of material relating to the Old South to be sure he had not overlooked something of importance. The writer cannot lay claim to having performed that Gargantuan task. Material for the study has come from the following libraries: Tennessee State Library, Tennessee Historical Society, Vanderbilt University—all in Nashville; Lawson McGhee Library in Knoxville; Mississippi Department of Archives and History at Jackson; Louisiana State University Department of Archives and Library at Baton Rouge; Howard-Tilton Memorial Library of Tulane University in New Orleans; State Historical Society of Texas at Austin; Alabama Department of Archives and History, and Montgomery Advertiser (newspaper) Company—both of Montgomery; Georgia Department of Archives, Georgia State Library, and Emory University Library—all at Atlanta; University of Georgia Library at Athens; Southern Historical Collection and University of North Carolina Library at Chapel Hill; Duke University Library at Durham, North Carolina; and certain eastern and western libraries which have been listed in the writer's monograph, *The Pioneer Merchant in Mid-America*. A few privately owned collections have been so designated in the bibliography.

The writer is under too many obligations to librarians and others to risk acknowledgments of a specific nature, lest some be omitted. Those in charge of collections in southern libraries were universally willing to let the writer examine whole manuscript collections, no matter how far removed from his subject they might seem to be. No greater favor can be granted a research student. Some even cashed checks for him, and in other ways expedited his work. However, the acknowledgments must be limited to a hope that the checks proved good and that those who made his travels easier will know the appreciation in which he holds their many kindnesses.

A John Simon Guggenheim Memorial Foundation Fellowship

for the academic year 1941–42 made possible the completion of this book. The University of Missouri Research Council also gave generous financial aid. Without such help the study could not have been made.

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Chapter One

Southern Society and Its Marketing Needs

European visitors quickly discover, if they are not already aware of it, that Americans frequently speak of East and West, North and South in commenting on our history. Such sectional terms are assumed to have a sufficiently distinct meaning to enable one to discuss our development without preliminary explanations of the factors which have created a consciousness of sections within the broader theme of our national story. Nonetheless, Americans find it difficult to explain to foreigners exactly what is meant by such terminology. To define the South, for instance, as the territory lying south of Mason and Dixon's line merely provides a starting point for explaining why the South should be considered a section at all. Within this boundary the growing season varies from six to nine months, soils differ greatly in their characteristics, and the inhabitants follow various patterns in making a living—to mention only a few examples of the differences to be found.

Because of this diversity within sections a regional approach to American history is becoming progressively more popular. This frankly recognizes the existence of many physical and cultural patterns within the United States. If used wisely it lessens the danger of obscuring variations, without at the same time denying that regions of considerable diversity have at times combined into a larger sectional pattern for common action. The South, for example, developed a somewhat common racial pattern and also united its different regions in support of the Civil War. While this is merely another way of saying that both regional and sectional approaches have their value, it does offer a method of treating diversity as between regions which have also

found unity at times within a larger sectional pattern. It prepares the European visitor to understand that the South varied widely in its parts and yet found common ground on occasion.

Since the sectional approach preceded the regional in popularity, the history of the South was written first of all in sectional terms, with the idea of explaining the common aspects of its society. Planters, slaves, plantations, staple crops, and factors characterized the South in this version and were pictured as dominating the section. Contemporary observers and historians might call attention to exceptions, but this conception became too deeply entrenched to be shaken. It was recognized, of course, that some southerners did not own slaves, that some areas did not produce the common staples, and that parts of the South did not fit a stereotyped pattern. These, however, were considered to be minor variations from the main stream of southern history in which the slavocracy constituted the dominant theme. This group lived on *large plantations* and relied on *factors* to handle marketing problems. *Farms* and *stores* served a ne'er-do-well class of poor whites, but these represented only the backwash from the main stream of southern history.

An analysis of the distribution of slaves in the ante-bellum South demonstrates the limitations inherent in this picture. Less than 350,000 people in a population of some 6,000,000 southerners owned slaves around the 1850's. Of these, fewer than 10,000 families possessed more than 50 slaves.[1] Only the latter, however, could be called planters in the full sense of the term. Even the ownership of fifty slaves did not guarantee great wealth in the sense of a large annual income. Children, the aged, and the sick had to be subtracted from the available force of field hands who could be counted on to swell the owner's income. Consequently, remarkably few southern families had sufficient money to support the type of life which has sometimes been pictured as typical of the South.

Numbers alone, of course, are not the sole test of planter significance. One historian has estimated the income of the one thousand richest southern families in the 1850's at something over $50,000,000 a year, while the remainder received some

[1] See James G. Randall, *The Civil War and Reconstruction* (Boston, 1937), 60–61, for an analysis of the distribution of slaves in the Old South.

\$60,000,000.[2] Such concentration of wealth gave the planter a social and economic significance far beyond his relative numerical standing in the total population. This influence had operated from the early colonial period, and it undoubtedly helped to mold the course of economic development for southern classes as a whole.

In the earlier colonial period two factors shaped the form of southern economy in a direction highly favorable to the development of a planter class. One consisted of the Commercial Revolution which characterized western Europe at the time; the other constituted all the New World environmental factors which would modify the original plans of colonizing nations. By the seventeenth century joint-stock companies had penetrated the Baltic, the Mediterranean and Africa, and had even extended their operations to the Far East. Through these European capital hoped to profit by the development of commerce on an international scale. The New World also offered abundant opportunities to the expanding capitalistic system because of its rich natural resources. In an era relying primarily on wood, virgin forests alone would have attracted English traders. Here was an opportunity to replenish the supply of naval stores—planking, masts, tar, pitch and resin, to provide charcoal for iron, copper, and glass furnaces, and to supply potash and dyes for the manufacture of woolens.[3] Fishing, furs, the prospects of gold, and the vast expanse of virgin land to be had for the asking also fired the imagination of Europeans who had capital for investment.

In order to mold the southern colonies into an economic pattern suited to her needs England employed devices such as bounties, subsidies, prohibitions, and monopolies of the home market. English farmers opposed the importation of competing foodstuffs and manufacturers disliked the thought of colonial industry. Under mercantilist economics the colonies were to serve as a source of raw products which were unavailable in the mother country and as markets for manufactured goods. Certainly in

[2] William E. Dodd, *The Cotton Kingdom, A Chronicle of the Old South* (New Haven, 1919), 24.

[3] Thomas J. Wertenbaker, *The First Americans, 1607-1690* (New York, 1927). Chap. I discusses English aims and how these were modified by New World conditions.

the beginning English mercantilists did not envisage the southern colonies as agricultural areas.

The course taken by southern economy, however, makes it difficult to escape the conviction that New World conditions more than English policy explain the type of life which developed. The first great southern staple, tobacco, for instance, played no part in England's original plans for the development of Virginia and Maryland, and its early cultivation must be traced to the efforts of the colonists themselves. With the exception of indigo, the staple crops on which the South relied so heavily before the end of the colonial period were produced as leading crops essentially because comparative advantage and growing world-wide specialization demonstrated their suitability to the South. English aims were thus circumscribed by natural or environmental conditions.

The development of staples like tobacco naturally centered attention on southern land. The supply seemed inexhaustible, it was cheap, and unlike the land in New England yielded itself readily to exploitation. Here was the cheap factor in production, if the necessary capital and labor could be obtained to turn it to account. The South lacked labor, however, and like all new areas was short of capital. English capital seeking investment offered a partial answer. Very early in southern history, therefore, the southern planter class came to rely on English capital for the purchase first of all of indentured servants and still later of Negro slaves to exploit the South's one cheap factor of production, the land. The planter thus acted as an entrepreneur or middleman in combining English capital through forced labor with the cheap and responsive southern land in the production of staple crops.[4] In this manner the desire of English merchants for foreign products to trade on the world market could be served. They furnished credit in the form of goods and indentured servants or slaves. The planter employed these in producing staple crops on virgin land of such low cost that both he and the merchant might hope to profit from the scheme.

This general arrangement resulted in certain positive influ-

[4] This general point of view is brilliantly stated in Lewis Cecil Gray, *History of Agriculture in the Southern United States to 1860*, 2 vols. (Washington, 1933). See especially I, 409–13.

ences on southern economy. For one thing, it obviously emphasized agriculture and thus stamped the South as an agrarian section. It also was fundamental in accounting for the so-called poor treatment of southern land. Scientific farming now demands attention to soil care as one of the requisites for agricultural success. In the colonial period, however, land was so cheap, so plentiful, and so fertile that planters could replace a worn-out plantation with a new tract of land only a short distance beyond on the frontier. Since capital for the purchase of fertilizers, of tile for soil drainage, and for other means of land protection was expensive in that it bore a high rate of interest, operators used it sparingly for such purposes. In the same way, they preferred to employ their expensive indentured or slave labor in the production of maximum crops instead of ditching, terracing, and other operations designed to save the land. It thus was actually sounder to mine soil fertility and then move on to newer areas, because labor and capital were expensive and land was cheap and plentiful. In terms of modern soil exhaustion the practice was deplorable, but it was sound economics for the individual at a time when the West offered new plantations to those who had farmed out their original holdings.

Moreover, it was commercial, capitalistic production rather than an economy of self-sufficiency. It was possible, of course, for a family to acquire a farm for a small outlay or even to squat on it without cost. If a family so desired, it might produce virtually all the food and clothing which it consumed, and many colonists followed this pattern. Since little expense was involved in the self-sufficient type of agriculture, the farmer was driven to produce for a market only to the extent that he desired to raise his standard of living by producing a surplus with which to buy the commodities of the outside world. On the other hand, the planter went in debt for his labor supply and for equipment.[5] In order to pay interest on this and to retire his debt he had to produce a surplus which would sell in the world market. In working toward this end he found a need for still more credit in order to obtain supplies for his plantation workers until his annual cash crop was harvested and also to sustain his operations until this was marketed in distant centers. Unlike the self-

[5] *Ibid.*, I, 411.

sufficient farmer he had fixed charges to meet, a situation which compelled him to produce even in periods when market prices were below his costs of production.

While this form of commercial, capitalistic agriculture placed a burden of debt on the planter, his borrowing was largely for productive purposes. The purchase of slaves, foodstuffs, and machinery on credit did not automatically mark him as an extravagant person or a poor businessman. If he succeeded in growing a profitable crop he could ultimately retire his debt and hope to maintain a material standard of living far beyond that of the self-sufficient farmer.

The cash crops on which the planter relied for meeting his expenses also helped to shape the scheme of operations. Tobacco, rice, and indigo were important cash crops in the colonial period, although they by no means exhaust the list of products which planters employed to meet financial obligations. After the American Revolution cotton became the leading staple, and sugar production developed in Louisiana. As a whole, these staples relied heavily on English and Continental markets for an outlet and thus necessitated a more complicated marketing arrangement than if they had been sold at home. This undoubtedly contributed to the somewhat hazardous nature of plantation economy. Agencies of communication and transportation were both slow and irregular in comparison with those of modern times. Thus the planter who produced a cotton crop that would be marketed at a distance of 2,500 miles some twelve months after it was harvested could not estimate his income with any great degree of certainty.

On the other hand, the staples had certain advantages that lessened the marketing problem. As a whole, their value in relation to their bulk was higher than that of many items which entered the channels of international commerce. Consequently, they could be transported considerable distances without shipping costs destroying any hope of profit. Moreover, as a whole, they withstood the abuse occasioned by prevailing methods of transportation much better than many farm commodities. Cotton, for example, was nonperishable and thus suffered little from the rough handling, exposure, long delays, and poor warehousing to which most products were subjected while in transit to market.

The managerial duties of the large-plantation owner demanded constant attention. Slaves and equipment had to be fitted into a steady routine of work throughout the year in the interest of maximum production. James H. Hammond, an experienced planter, in 1841 suggested that:

A planter should have all his work laid out, days, weeks, months, seasons and years ahead, according to the nature of it. He must go from job to job without losing a moment in turning round, and he must have all the parts of his work so arranged that due proportion of attention may be bestowed upon each at the proper time. More is lost by doing work out of season, and doing it better or worse than is requisite, than can readily be supposed. Negroes are harassed by it, too, instead of being indulged; so are mules, and everything else. A halting, vacillating, undecided course, now idle, now overstrained, is more fatal on a plantation than in any other kind of business—ruinous as it is in any.[6]

Hammond also criticized the idea of concentrating on a maximum crop without considering the danger of depleting valuable property: "The effort must therefore not be merely to make so many cotton bales or such an amount of other produce, but as much as can be made without interrupting the steady increase in value of the rest of the property. . . . There should be an increase in number and improvement in condition of negroes." [7]

In actuality few planters achieved the ideal balance suggested in Hammond's comments, but success demanded an approximation of this. Although capital for operations and the marketing of crops involved distant connections, planters needed to be at home a large part of the year. This necessitated reliance on outside help, and the factorage system was a logical result. In its most highly developed form, therefore, this program of commercial, capitalistic agriculture revolved around the *plantation* as the basic unit of production with the *planter* relying on the *factor* as his economic agent.

Perhaps the most pressing need of all for outside help was in the field of credit. Operations on a large scale depended on a labor force of some size. By the 1850's good field hands were

[6] Quoted in Ulrich B. Phillips, *American Negro Slavery* (New York, 1929), 272–73.
[7] Quoted in *ibid.*, 263.

selling for as much as $1,500 to $2,000 in parts of the South, and at no time in the ante-bellum period did labor costs drop to the point where the planter could afford to ignore their importance. Clothing and subsistence for the labor forces added to the need for credit. While a part of this might be produced on the local plantation, the system required first of all the production of an annual cash crop which limited the extent to which self-sufficiency might be attained. Machinery had to be provided. Also, the marketing of crops in distant markets often delayed returns for considerable periods of time during which the planter had to operate on borrowed money.

There was also need for help in supervising the movement of crops to distant markets and in disposing of them to the best possible advantage. Slow methods of transportation and inadequate market information severely limited the planter's opportunity to exercise final judgment as to the exact time, place, and price for the disposal of his crop. Furthermore, as the crop moved to market the planter had to delegate the handling of things such as freight charges, storage, insurance, and sampling to agents who were familiar with the problem.

Local banks were nonexistent in the early history of the South. When commercial banks did develop they were not wholly suited to the planter's long-range credit needs since they preferred to loan money for short periods of time. Small retail stores in the vicinity of plantations were geared primarily to the exchange of goods for crops and generally did not maintain regular connections for marketing staples on a commission basis. Clothing, foodstuffs, and machinery might, of course, be purchased from stores close at hand. Since the planter bought in quantity, however, he was tempted to obtain his supplies from the larger wholesale centers in the hopes of obtaining better credit terms and cheaper prices.

Out of these needs and possible choices the planter developed a pattern of business operations which was highly dependent on the factor. The latter was prepared to furnish slaves, provisions, and machinery on generous credit and to market crops for those who operated on a large scale. Although the planter class was limited in numbers, it controlled a large part of southern resources. The decision which it reached, therefore, as to the most

advantageous method of solving its problems was bound to influence the marketing structure of the South as a whole.

Unfortunately, however, the sectional approach to southern history has overemphasized the importance of the plantation-factorage regime. For thirty years before the outbreak of the Civil War northern abolitionists attacked the southern slavocracy vehemently enough to create the impression that planters alone inhabited the South. The southern counterattack in turn defended the southern way of life as if it were a unique civilization in sharp contrast with northern society. In the decades immediately following the Civil War historians traced the conflict to a battle over slavery. More recently considerable historical evidence has been marshaled in support of the thesis that the Civil War was an irrepressible conflict between two competing civilizations, an aristocratic, agrarian South against a North based on industry and small farms. All of this emphasizes the importance of the slave-plantation regime. Moreover, nostalgia for the "Lost Cause" within the South has been rivaled by an intense northern interest in stories which depict the ante-bellum planter's mode of life. To many, Margaret Mitchell's *Gone With the Wind* represents the theme of southern civilization. Equally intriguing to northern audiences are plays like *Tobacco Road,* in which the southern "poor white" is revealed in startling character.

Such interpretations possess a degree of truth, but all fail to do justice to the essentially petty capitalistic nature of southern civilization. A society in which less than one hundred thousand families out of a population of some six million people owned as many as ten slaves, and in which many owned none at all, obviously consisted largely of farmers. Few indeed possessed the necessary wealth to rank as planters; poor whites, too, were in the minority in a section where cheap and fertile land made it unnecessary to live a shiftless, degenerate type of life.

Ante-bellum writers like Frederick Law Olmsted and Daniel R. Hundley revealed the numerical significance of the southern farm population with its small landholdings and limited use of slave labor.[8] The yeoman farmer, however, lacked sufficient

[8] Daniel R. Hundley, *Social Relations in Our Southern States* (New York, 1860); Frederick Law Olmsted, *The Cotton Kingdom,* 2 vols. (New York, 1861). Much less well known but more convincingly presented than either the material of the sour Olmsted or that of the occasionally vituperative Hundley is the work of

glamour to compete with stories of "poor whites" and opulent planters.

Recent studies have attempted to establish the importance of the ante-bellum southern farmer by drawing heavily on unpublished census returns, a tedious procedure involving the investigation of the landownership and slaveholdings of every individual listed in the manuscript census. The effort involved has its compensations in the comprehensive and more definitive nature of the conclusions which can be drawn. A recent doctoral dissertation on ante-bellum Mississippi offers an effective illustration. An analysis of the available data for every head of a family reported in counties of various types enabled the writer to generalize with virtually complete information at hand. For the state as a whole he concluded: "The bulk of the farm population belonged to what might be termed the middle class. This middle class was divided into two groups, small planters and small farmers. In reality the small planters were prosperous farmers with fairly large farms and a few slaves. This group was quite large and far outnumbered the big planters. The small farmers formed the largest group in the state. Their landholdings were quite small in many cases and they owned few or no slaves. . . . The fourth group, the 'poor whites' was perhaps the smallest of all." [9]

Since planter and farmer alike engaged in agriculture, their methods of operation were not wholly antithetical. Except in parts of the highland regions and border states, for instance, farmers, like planters, generally attempted to produce a staple cash crop each year. Rice and sugar were left largely to the planter because they afforded better profits to those who could invest considerable capital. Farmers frankly recognized their inability to finance the purchase of the necessary machinery for processing rice and sugar cane. Moreover, only planters who owned large gangs of slave laborers could produce these crops in

George W. Paschal, *Ninety-four Years. Agnes Paschal* (Washington, 1871). This book gives a dispassionate account of a middle-class Georgia family and its struggle toward economic improvement through merchandising, innkeeping, teaching, and farming, and offers at the same time a clear analysis of the ante-bellum social structure in which the family moved.

[9] Herbert Weaver, "The Agricultural Population of Mississippi, 1850–1860," unpublished doctoral dissertation at Vanderbilt University, 1941, p. 155. This has been published under the title *Mississippi Farmers, 1850–1860* (Nashville, 1945).

sufficient quantity to justify the purchase of expensive equipment. On the other hand, the chief staple, cotton, could be grown successfully without regard to capital investment or size of landholding. The farmer who produced a single bale of cotton had little trouble in getting it ginned and prepared for market. Tobacco actually favored the small producer in some respects. It required meticulous care, which the farmer could give to his small crop without worrying about the costs of supervising a slave force in work requiring constant and skilled attention. As a result, the farming population grew a large part of the cotton and tobacco crops.[10]

The farmer might have diversified his production and supplied the plantations with foodstuffs, but except in the border states this pattern of production received limited attention. The system employed on large plantations undoubtedly encouraged farmers to adopt the same approach as far as possible. On the other hand, for long periods of time the South seemed to do remarkably well in producing cotton and tobacco in competition with other parts of the world, and the choice which so many farmers made in concentrating on these staples may again have been largely a result of the principle of comparative advantage committing southern economy to the direction which it took.

The farmer was also inclined to follow planter methods in exploiting the land. With fertile soil available at nominal costs, his family had little incentive to preserve this element of production, and he had even more trouble than planters in obtaining access to capital for improvements. If his farm became exhausted or if he could make a profitable sale, he moved on to some turbulent frontier community with considerably less hesitation than the wealthier planter who dreaded to expose valuable property to frontier dangers until law and order had been established. Historians have commented widely on this tendency for men of property to be preceded in new communities by pioneer settlers of limited financial means. Thus the farmer's frontier was likely to precede the planter's and even to provide whole communities in which planter influence was negligible. Since the factorage system was based on planter patronage, it, too,

[10] Ulrich B. Phillips, *Life and Labor in the Old South* (Boston, 1931). Chap. VII discusses the staple crops and their relation to large-scale production.

found its greatest strength after frontier conditions had passed. Because of this it had to compete with economic agencies which had developed at earlier periods to supply the necessities of the farming population.

The management of a farm demanded less time and versatility than was required for a plantation. As Hammond pointed out, the planter needed to remain at home most of the year to coordinate the activities of a large labor force in the multifarious activities of a plantation economy. In contrast, the farmer and his family furnished most of the labor supply in his scheme of operations and the problem of management was relatively simple. Any advantage which the farmer gained in time saved from supervising the labor of others, however, was offset in part by the very fact that unlike the planter he was both manager and laborer. Thus, while his entrepreneurial activities were less time consuming than those of the planter, he was tied quite as effectively to his work by the necessity of supplying his own labor. Planter and farmer alike, therefore, found it advisable to concentrate attention at home—the one to manage a complicated system of production, the other to produce a maximum yield by his own labor.

Since the farmer was occupied at home he followed the planter's solution of relying on other agencies to supply many of his wants. Although his credit needs were modest in comparison with the planter's, he required clothing, groceries, and tools. Like the planter he marketed his cash crop once a year and therefore needed credit for a year or longer. His cotton and tobacco crops were ultimately sold in distant markets and he was even less prepared than the planter to supervise the numerous steps involved in their marketing. Thus the difference between planter and farmer reliance on other economic agencies was largely one of degree rather than of kind. The farmer desired the same services as the planter, but he used these to a much more limited extent. Here was the major difference which accounted for the failure of the factorage system to meet the needs of the farming population.

The farmer naturally produced a much smaller cash crop than the planter because the total yield of his own family's labor fell below the output of the slave force of a large plantation. More-

over, since he owned few or no slaves, he had little or no investment in a labor force. His farm was generally smaller than a plantation because he could cultivate only a limited amount of land. All of this meant that his capital investment and his annual production remained far below the level attained in plantation economy. In economic terms, his fixed charges were relatively small.

This difference in capital investment reflected itself in various ways. Since the farmer did not have large interest charges to meet on money borrowed to purchase slaves, land, and machinery, he could more easily turn to producing his own foodstuffs when the price of staple crops declined. On the other hand, the planter tended to produce a still larger staple crop at such times in the hopes of offsetting lower prices by quantity production, thus meeting his interest charges. As previously indicated, the farmer also moved to new lands more freely than planters because he had fewer property risks to face in frontier communities. In every southern depression creditors complained about farmers departing to some frontier community and thus leaving their obligations in default. Planters also sometimes did this, but they found it harder because of their very scheme of operation. Moreover, farmers had little to offer as security for debts beyond their landholdings, and land was relatively cheap. All of this meant that farmers proved less attractive than planters to those who had money to invest or who wished to concentrate on the sale of staple crops in foreign markets. In contrast, the planter consumed capital in considerable amounts, possessed slaves, land, and machinery on which a creditor could levy for debts, and also was impelled to produce staple crops in order to meet his bills.

Moreover, the relatively small annual production of individual farmers exerted little attraction to marketing specialists in seaboard cities or to wholesalers who desired to furnish merchandise in large amounts. The farmer who grew one or two bales of cotton on a small farm and who desired merchandise worth $100 in return thus made no direct appeal to seaboard factors and wholesale firms. It was economically unwise to attempt dealing directly with such men. The profits to be had from handling their business would have been more than offset by the cost and trouble of checking on their credit standing and reliability, to

mention only one of the problems involved. Thus some intermediate agency was necessary to collect the crops of three hundred or four hundred small farmers before a seaboard factor could afford to consider the wisdom of handling the business involved. On the other hand, large planters operated on a scale which permitted factors to deal directly with them.

The small annual yields of individual farms were offset in large part by the production of staple crops and foodstuffs in the aggregate which came from these each year. Such business was worth attention if a marketing system adjusted to its particular problems could be developed. Very early in southern history, therefore, petty capitalists directed their attention to the small agricultural producer. Here the country store was found to be a satisfactory agent. Thus, in contrast to the *planter* who employed the *plantation* as the basic unit of production and the *factor* as his economic agent, the small-unit *farmer* turned to the *farm* and the country or village *store* as parallel instrumentalities in his way of life.

Country stores supplied farmers with dry goods, groceries, and tools on a credit of twelve months throughout the ante-bellum period. In turn, the storekeepers were able to purchase such items from eastern and southern wholesalers on long-range and generous credit arrangements. While the service of the factor as a credit source for planters has been recognized, too little attention has been devoted to the extent to which southern farmers were financed in the conduct of their business by wholesale firms. On the basis of a year's credit the farmer could harvest a crop and meet his store bills from its proceeds.

Moreover, stores accepted farm crops in payment for merchandise advanced during the course of the year. Indeed, in its simplest form, this type of business consisted of bartering store goods for farm crops, with an annual accounting occurring generally in the first three or four months of each new year. Fundamentally, the storekeeper was the middleman between seaboard wholesalers and southern farmers, and provided a means of exchanging farm crops for the products of the outside world.

The storekeeper was also the first agent in collecting farm crops for market and thus provided a complete marketing system for the farming population. Since money and credit were scarce,

storekeepers were compelled to accept this marketing responsibility by bartering goods for crops if they wished to operate at all. Nonetheless, they profited in other ways as well. If they accepted the farmer's crop in payment for merchandise they were better secured than if he had sold it through other agencies and then paid his store accounts. Since crops constituted the chief security for bills, the storekeeper protected himself when he prevented agricultural products from falling into the hands of other marketing outlets. Some advanced goods at slightly reduced prices to farmers who disposed of the whole of their crop directly through the store. This provided an opportunity for a profit on the goods and also a profit on the crops as they were sold to the outside world. Some storekeepers also found the system attractive because it provided an opportunity for speculation in agricultural products.

While the factorage system was concentrated in the major southern coastal cities, stores were scattered widely over the interior South. Their location in the midst of farming communities enabled them to deal directly with as many as three hundred to four hundred farmers within shopping distance of the stores. By providing merchandise to a great number of families and in collecting the crops of this same group they achieved a volume of business which encouraged wholesalers to seek their patronage. Likewise, factors in coastal cities found it profitable to market the crops which storekeepers received during the course of the year.

Thus the country store developed in new communities as an agent of credit extension, as a supplier of merchandise, and as the first agent in collecting farm crops and starting them on their way to market. Beyond this, the storekeeper performed many subsidiary functions for his customers and became a force in building up the rural towns in which he lived. Along with the lawyer, preacher, editor, and artisan he provided the leadership in such communities. In numbers alone the *farms* and country or village *stores* far surpassed the *plantations* and the *factors,* and they undoubtedly touched directly the lives of far more southerners.

In actual operation, of course, there were degrees of gradation from farmer to planter, and it cannot be said that one class patronized a factor alone and another the store. The systems

overlapped and influenced each other. Nonetheless, the very range of economic activity and the diversity of interests to be served accounted for the ability of factors and storekeepers alike to survive.

Since the South has been a debtor agrarian area throughout its history, there has been a marked tendency to interpret its economy as backward and uneconomical. The difficulties of cotton culture in the twentieth century in competition with new and fertile lands of other countries have accentuated this tendency. When President Franklin D. Roosevelt called the South the nation's number-one economic problem many apparently forgot to consider that current southern problems do not necessarily reflect an absence of agricultural prosperity throughout the whole history of that section. The South, of course, now clings to cotton production partly because it represents a traditional way of life that cannot be changed overnight. One can accept this freely and still recognize the probability that cotton developed into the major southern crop originally because the South could grow it successfully in competition with the rest of the world.

Nonetheless, the debt burden of the Old South has too often been explained primarily in terms of planter indifference to money values, willingness to sign the other fellow's note without security, and a fondness for luxuries. Its heavy emphasis on agriculture has been traced to the presence of the Negro and the lack of general education. Such explanations ignore the fact that it arrived at its debtor, agrarian economy by a process of trial and error. Neither England nor the early colonists of Virginia and Maryland foresaw the direction which the southern economy was to take.

Moreover, a cursory examination of southern history will reveal the great amount of experimentation which has occurred in the course of its development. The American Revolution witnessed a movement in the direction of diversification and northern economy, but short-staple cotton came in to draw the South away from the new trend.[11] Again, Virginia and Maryland underwent changes in the early years of the American agricultural revolution which demonstrated that older areas were not too bound by conservatism and tradition to experiment with new

[11] Gray, *History of Agriculture*, II, Chap. XXVI.

crops and new methods when tobacco production on worn-out land proved unsatisfactory.[12] Such departures from old routines and the wealth of experimentation carried on by southern agricultural reformers in the ante-bellum period indicate that the prevailing system involved to a large degree a measure of reasonable economic adjustment to available economic opportunities.

Southerners borrowed for productive purposes and they engaged in farming because it seemed the most feasible way of making a living. Likewise, the factor and the storekeeper through trial and error evolved a system of operation adjusted to the opportunities and limitations of the section.

12 This is treated at length in Avery O. Craven, *Soil Exhaustion as a Factor in the Agricultural History of Virginia and Maryland, 1606–1860,* Illinois University *Studies in the Social Sciences,* XIII, No. 1 (Urbana, 1926).

Chapter Two

The Southern Factor

An understanding of southern country merchandising demands some appreciation of the general functions of the factorage system with which it competed and of the interrelationships between the two. Factors competed with country stores for the patronage of large farmers and planters who found themselves sufficiently free from prior credit commitments to choose their economic agents as they pleased. Rural storekeepers also often acted as agents of seaboard factors. Indeed, in some cases it is difficult to separate the merchandising and factorage aspects of such an alliance. Factors frequently advanced credit to country stores in return for the privilege of marketing the staple crops which they received in trade. Moreover, factorage offered larger opportunities to men who had succeeded in rural trade and also influenced the environment in which they operated until they were ready to advance to a larger business center.

Since the factorage system in its most advanced form depended on the patronage of large planters, it obviously was not equally strong in all parts of the South. The mountain and general-farming areas were scarcely touched by it. Even in the staple-crop sections its influence was governed largely by the size of the units operated, and, since small farms were found virtually everywhere in the midst of plantations, it is not surprising that the country store did not yield completely to its influence even in so-called planter communities. In other words, its dominance was one of degree only, depending fundamentally on the type of economy and society to be served.

An effective illustration of this is contained in the 27 letters which J. W. Dorr of the editorial department of the New Orleans *Crescent* sent to his paper for publication while on a horse and buggy tour of a considerable part of Louisiana in the summer of 1860. In some parishes which he visited stores and towns were

virtually nonexistent. Concordia Parish, across the river from Natchez, Mississippi, was of this type, as indicated by Dorr's description of its economy:

> The parish of Concordia is long and narrow and a great monopolist of Mississippi bottom lands, as it extends from the mouth of Red river for about a hundred miles up the coast of the great river. . . . Many of the planters who own and cultivate these lands are among the largest agriculturists in the State, and exercise the authority of ownership over estates as broad as some German principalities, and yielding far greater revenues. But very few of these lords of the soil reside on their estates, but have their residences across the river, on the higher but scarcely more pleasant lands of Mississippi—in Natchez or elsewhere. The actual white population is mostly a population of employees, not of owners—a population of overseers.
>
> An idea of the wealth, of the productive capacity, and of the social characteristics of the parish, may be formed from the fact that of a population of nearly thirteen thousand, over eleven thousand are negroes, the whites numbering but about fourteen hundred, young, old and middle-aged. . . .
>
> There is, literally, no other interest in Concordia but the agricultural. There is no town in the parish, and but three or four stores—one kept at Monterey, on Black river, twenty-five miles south-west of Vidalia, by J. A. Scott; another by Isaac Crouch, ten miles below Monterey on the same river; another by J. F. Powell, at Union Point, on the Mississippi, forty miles below Vidalia. But the plantations are magnificent in extent, stretching away in broad expanses, level as water, and at this time a wavy sea of lusty green cotton plants, variegated with the pinky and snowy whiteness of the blossoms and bursting boles; while long ranks of negroes are working across them, gathering in the fleecy harvest of the season. . . .
>
> Vidalia, the parish seat of Concordia, is directly opposite Natchez. It is not an incorporated town, and the dwellers are few, but their dwellings are handsome and give the place a very comfortable and pleasant appearance. The Courthouse is a fine erection and the jail the best building of the kind in the State. . . . A commodious hotel is well kept by Mr. Peebles.
>
> Here is published the "Concordia Intelligencer", by John McDowell, Esq., one of the cleverest and most popular gentlemen.[1]

[1] Letter Aug. 18, 1860. These letters have been edited and published by Walter

Other parishes which Dorr observed on his travels varied widely in nature, some being almost as barren of towns and stores as Concordia, while others possessed a flourishing town and store life. In St. Charles, Dorr estimated the investment in trade at only $15,000, the proximity of New Orleans preventing country storekeepers from prospering. The few stores in the parish were scattered along the river levee, four to five miles apart, and nearly all were small.[2]

The parish of St. John the Baptist, which bordered St. Charles Parish, had a much greater proportion of people of small means and was almost twice as populous. Dorr commented on the effect of this on mercantile organization:

"The mercantile interest in this parish is of much greater importance than in St. Charles, numerous stores being scattered along the levee road at comparatively brief intervals. Wherever the middling classes are a considerable proportion of the population, there the country stores are numerous; where the wealthy planters predominate, they are scarce, for everything that the planter does not raise on his estate he purchases in the city, and there the planters' ladies go to do their shopping." [3]

It was much easier for wives to purchase in this manner when their husbands maintained connections with New Orleans factors. Thus, while the merchandise might be obtained from New Orleans retail stores, the factorage system was the key instrument in building direct connections between planters and seaboard cities.

Other states and coastal cities revealed very much the same pattern as Louisiana. Factors in New Orleans, Charleston, Savannah, and Mobile, for example, handled the greater part of plantation cotton sales. Mobile alone in 1851 had 42 fireproof

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Prichard under the title "A Tourist's Description of Louisiana in 1860," *Louisiana Historical Quarterly,* XXI (1938). The quotations are from Prichard's edition. Scattered copies of the *Concordia Intelligencer* in the 1840's and 1850's show that Dorr's description of the parish was reasonably accurate. The paper carried much advertising from New Orleans and Natchez, but virtually none from the parish itself. Concordia seems not to have had a store, although the issue for February 27, 1847, said one was being contemplated. On April 23, 1858, the paper carried an advertisement of J. C. Goodwin's new store at South Bend on Black River, the only local mercantile announcement which the writer found in the issues of the paper examined.

[2] Letter April 26, 1860, *ibid.*

[3] Letter April 27, 1860, *ibid.*

brick warehouses capable of storing 310,000 bales of cotton at one time.[4] On the other hand, country stores collected the crops produced by the middle and lower classes, even though ultimate sales to manufacturers might be handled through seaboard factors.

Before analyzing the services contributed by factors it is well to consider certain influences which made factorage a dynamic system in operation. Competition for business was characteristic. The names of some factors appeared year after year in directories of southern coastal cities, but new names were constantly being added; some of course soon disappeared, but others managed to survive and to build wide business connections.

Part of this can be traced to the desire of the small country trader to move ahead in the economic world, a characteristic of the petty capitalist throughout his history. In the South such men gravitated to planting or to commercial operations in larger cities. Contemporary observers were aware of this and frequently mentioned it in their reminiscences. H. S. Fulkerson, for instance, settled in the little town of Rodney, Mississippi, in 1836. This village of six hundred to eight hundred people had enjoyed an active trade for a number of years and offered excellent opportunities to experienced storekeepers who desired to engage in merchandising. Nonetheless, according to Fulkerson, there was a rapid turnover in business: "Sometimes three or five years business would be so profitable to a sober and prudent merchant as to enable him to retire—sell out to his clerks and go to planting, or to New Orleans to engage in larger operations. I knew of my own knowledge one house in which, in the course of twelve or fifteen years, fortunes were made by three different sets of partners." [5]

The historian of Selma, Alabama, mentioned the same phenomenon. Hugh Ferguson arrived in 1819 and accepted a clerkship in the firm of Wykoff and Pickens. In 1834 Pickens withdrew to a plantation and the partnership now became Wykoff and Ferguson. This arrangement lasted until 1844, when Wykoff decided to transfer his efforts to New York City. For another five

[4] Gray, *History of Agriculture*, II, 711.

[5] H. S. Fulkerson, *Random Recollections of Early Days in Mississippi* (P. L. Rainwater, ed.) (Baton Rouge, 1937), 8.

years Ferguson ran the store by himself and then sold out to Walker and Kenan in order to turn to planting.[6] If proper allowance is made for an overly optimistic impression of the certainty of mercantile profits, these two examples represent very accurately a process which took place all over the South in the ante-bellum period.

Such men frequently possessed sufficient training, acquaintanceship in rural communities, and appreciation of contemporary rural problems and points of view to make them effective competitors of older factorage concerns. The wealth of experience on which they could base their course of action in seacoast centers is revealed in the business career of B. M. Lowe of Huntsville, Alabama. Advertisements in the local paper in 1818 reveal that Lowe was then junior partner in a Huntsville store, from which position he moved to senior partner in a new organization by 1826. During this decade he accepted cotton at his establishment in exchange for merchandise, and at times made advances on crops to owners who preferred to sell in coastal markets.

The 1830's witnessed the height of his power in the local mercantile field. During this decade he maintained a large general store in Huntsville, and branches under younger partners at various times in village or crossroad locations in the immediate vicinity of Huntsville. His advertising in 1834 included notices of the stock of B. M. Lowe of Huntsville, of Lowe and Sledge at Meridianville, and of Lowe and Weaver at Madisonville. Lowe, Sledge and Strother at Oakley seems to have opened shortly thereafter, an arrangement in which the first of the junior partners was now able to join in creating a branch of the first branch store to be opened. Still another branch appeared at Lowesville in 1838. Lowe tried to visit eastern markets at least once a year to purchase merchandise, a policy which enabled him to become familiar with business operations in large eastern centers. The necessity of marketing cotton received at his various branch stores also introduced him to business methods in southern coastal cities.

Other economic activities of a local nature attracted his attention. In 1833 he was one of five commissioners appointed by the state legislature to handle stock subscriptions to the Merchant's

[6] John Hardy, *Selma; Her Institutions, and Her Men* (Selma, Ala., 1879), 177–78.

Insurance Company of Huntsville. In 1835 he became president of the Branch Bank of Alabama, just established at Huntsville, and visited Philadelphia to supervise the printing of the notes for its circulation. He occasionally advertised land for sale in the late 1830's, having apparently become an extensive landowner, although there seems to be no evidence that he operated a plantation directly himself.

His local standing was reflected in the political positions which he held. In 1829 he served as a member of the Huntsville city council. By 1839 he had acquired the title of "General," perhaps through office in the state militia, and was frequently asked to act as chairman of local meetings called to consider problems such as the unsatisfactory state of mail deliveries between Huntsville and New Orleans. In 1840 he was a Democratic electoral candidate.

The panic of 1837 wrecked his organization quite as effectively as it did those of the majority of merchants in business at the time. The branch stores now closed out rapidly, although Lowe seems to have extended credit to farmers for two or three years longer in an attempt to carry on at Huntsville.

The bank of which he was president had to suspend specie payments in the same period. His own financial troubles caused him to refuse to stand for re-election for a second five-year term as president in 1840, a decision which the Huntsville paper and a committee of local storekeepers petitioned him to reconsider. His refusal was based on sound grounds. State laws prevented bank officers from negotiating through Alabama banks or using them for exchange dealings. Lowe pointed out that this compelled him to do all the banking connected with his stores and cotton trade outside the state.

In 1841 he was forced to close the Huntsville store. Scruggs, Dell and Company, a group of young men, who, as Lowe expressed it, had been "mainly raised in his house" took over the stock and building. Lowe obviously hated to terminate his mercantile career, as evidenced by his comment: "In retiring from a business in which he has been actively engaged for the last 23 years; and in parting with his many old, substantial and liberal customers and friends, the undersigned cannot avoid emotions of deep feeling and regret." For the time being he intended to

keep the back counting room of his store building for his own use, and his announcement of the end of a quarter century of merchandising closed with an invitation to old friends to drop in for a visit, whether indebted to him or not.

Lowe's realization that financial losses could not destroy the value of his wide acquaintanceship encouraged him immediately to inaugurate a policy of advancing money to those who wished to sell their cotton in coastal markets. His continued good standing in the community was reflected in the additional honors proffered him. In 1843 the local paper carried a card soliciting him to run for the state legislature because of his interest in farming and his financial skill. In 1844 he was again elected to the city council and also served as chairman of a committee to plan the arrangements for a local internal improvements convention.

A temporary vacancy of his store building and the necessity of maintaining a regular business address to facilitate collection of past store accounts now led him to experiment with a local auction and commission business. Possibly the death of his wife, a woman of better than average education and noted for her charitable activities, was the leading influence in causing him to close out this business in 1845 and to remove to New Orleans. There he opened a commission and general-agency business which soon developed into a straight cotton-factorage concern. The Huntsville papers carried his advertisements as a cotton factor as late as the eve of the Civil War.[7]

In the light of his thorough and varied training it is not sur-

[7] The account of Lowe's career is taken from the frequent advertisements and references in the news columns of the Huntsville papers for these years. See Huntsville *Alabama Republican*, advertisement of Bradford and Lowe, Sept. 15 and Oct. 6, 1820. See Huntsville *Democrat*, advertisement of Lowe and Manning, May 5, 1826. See Huntsville *Southern Advocate*, advertisements of Lowe, Oct. 12, 1827 and Jan. 18, 1828; election to city council, Jan. 9, 1829; advertisement, Nov. 10, 1832; news item, June 4, 1833; branch-store advertisement, Aug. 13, 1833; land sale, Jan. 14, 1834. Huntsville *Democrat*, bank reference, July 15, 1835; advertisement, May 9, 1837; bank reference, May 30, 1837; branch stores advertisement, June 9 and 30, 1838; reference to public service, Aug. 17, 1839, and June 30, 1840; bank, Dec. 26, 1840; retires from storekeeping (advertisement), July 24, 1841; advances on cotton and offers to sell land, Jan. 22, 1842; advertisement of commission house, March 7, 1844; news item on public service, June 12, 1844; obituary of wife, Nov. 13, 1844; alderman, Dec. 18, 1844; moves to New Orleans, Nov. 26, 1845. See Huntsville *Southern Advocate*, Dec. 12, 1860, for Lowe's New Orleans card. References on all the details of the changes in Lowe's activities are too voluminous for complete citation.

prising that Lowe was able to survive in the competition existing in the larger center. Merchandising, politics, land speculation, banking, and cotton dealing were all familiar to him, and he had handled them in periods of prosperity and adversity alike. Moreover, his wide acquaintance and excellent reputation in Alabama provided a sound basis on which to construct his plan of operations in New Orleans. While not all men possessed Lowe's range of training, other experienced Huntsville men [8] moved on to larger centers after gaining local experience, and this same pattern of advancement was in evidence all over the South.

Such men created a competitive force which explains much of the continued efforts of factors to solidify their position with current customers and to expand their clientele. Perhaps the idea of planter subserviency to factorage concerns has been overemphasized. Although planters were frequently in debt to factors and had to sell the whole of their crop through the creditor concern at such times, it was not always impossible to change from one factor to another. Certainly the constant infusion of new blood offered planters an opportunity to shift both their patronage and their obligations to a new house, one that might offer no more attractive terms of business, it is true, but which had every incentive to perform all obligations fairly and efficiently.

Efforts to enter the factorage business must have been influenced greatly by the fluctuating nature of the market for staple crops. The planter settled accounts with his factor for the sale of a crop approximately a year after it was put in the ground. Prices at the selling season often deviated sharply from those prevailing when the planter made his plans for the year. A loss on the year's work might well result in hostility toward the factor, even though he had exercised the best possible judgment regarding sales. Furthermore, unless the factor sold at the highest

[8] See, for example, obituary of Colonel James J. Pleasants in Huntsville *Democrat*, Aug. 29, 1849. He was a member of the New Orleans firm of Martin, Pleasants and Company. See earlier advertisement of Bradley and Pleasants in Huntsville *Southern Advocate*, Nov. 14, 1828. See store advertisement of Andrews and Brothers in *Southern Advocate*, May 18, 1827, and advertisement of their change to New Orleans and Mobile commission business in *Democrat*, Sept. 14, 1839. Advertisement in *ibid.*, July 7, 1847 of dissolution of McDowell and Levert at Huntsville and the formation of the commission firm of McDowell, Withers and Company at Mobile. See advertisement of Scruggs, Drake and Company, *ibid.*, Jan. 18, 1855. J. W. Scruggs had been a clerk for Lowe at Huntsville before moving to Charleston to enter the new company.

price prevailing during the whole of the marketing season, it was possible to argue that his judgment had been faulty and thus to justify shifting to a new firm for another season.

Whatever the basis of the competition for business may have been, some methods of solicitation were quite common. Members of factorage concerns found it advisable, for example, to visit rural communities as a means of meeting new prospects and renewing friendships with old customers. Charles N. Oliver of New Orleans thus spent several days in the vicinity of Opelousas, Louisiana, in the fall of 1854, and also ran an advertisement in the local paper. Oliver offered to handle the sale of sugar, molasses, and cotton for the usual commission and was prepared to fill orders for groceries, western produce, and hardware for cash or city acceptances.[9] This combination of personal solicitation and newspaper advertising remained common throughout the South for many years.

Personal letters were also employed as a means of acquiring new customers. William Johnson, Mississippi planter and politician, received from New Orleans factors frequent requests to handle his sales of cotton and to purchase supplies. Although James Armor was handling his business in the early 1840's, Andrews and Brothers, who had turned to factorage shortly after the Panic of 1837 and were therefore relatively new in the field, did not hesitate to solicit his patronage.[10]

Some factors established connections with country storekeepers, who advertised that they would accept cotton for shipment to a particular house. In addition, factors often maintained agents in the larger interior towns whose main function was expediting connections with planters, rather than merchandising. David Haley, who lived near Madisonville, Mississippi, received a letter from the Vicksburg agent of a New Orleans house in 1843, giving an estimate of the cotton market and listing supplies available through the New Orleans firm, such as bagging, rope, linseys, shoes, and sugar.[11]

[9] Opelousas *Courier*, Sept. 23, 1854.

[10] Letter of Andrews and Brothers, Oct. 7, 1843. See also similar request from Reynolds, Byrne and Company, Aug. 19, 1833. Statement of James Armor, Jan. 10, 1842, Private Papers of William Johnson, 1811–1859, Mississippi Dept. of Archives and History, Jackson.

[11] Letter Nov. 21, 1843, David W. Haley Papers, 1826–1886, Mississippi Dept. of Archives and History, Jackson.

Lastly, one of the strongest competitive advantages grew out of successful business relationships extending over a period of years. The letters of C. D. Hamilton, a large planter at Grand Gulf, Mississippi, and Allendale, Louisiana, reflect this very clearly. Richard Nugent and Company of New Orleans handled his crops and purchased supplies for him over a period of years. The business relationship gradually blossomed into a strong personal attachment between the Nugents and Hamiltons. Nugent was personally acquainted with all the Hamiltons and, in his letters, was solicitous of their welfare. If the attention of a New Orleans doctor seemed advisable for one of the Hamiltons, Nugent arranged to care for the invalid while in the city and thus relieved the family from the necessity of making numerous small decisions. He sent wine and oysters as gifts to the family at holiday seasons, as well as an occasional cask of ice during the summer. Personal errands for the family were gladly undertaken. On one occasion Mrs. Hamilton was very anxious to have a lock of hair inserted in a breast pin. Nugent took the time necessary to supervise a New Orleans jeweler's efforts to follow her directions in the matter. In return, Hamilton sold his sugar and cotton through the New Orleans house, and purchased wagons, provisions, and clothing in the same manner.[12]

Fundamentally, of course, the factorage system owed its continued strength to its ability to meet the needs of the planter class. Open accounts were maintained with planters during the course of the year, with books being balanced after the sale of the crop. The staples began to find their way to market in the fall, and by the following spring the factor could make a report to the planter on total returns from the crop and on the financial obligations which he had incurred during the course of the year. Under this system the planter made a final accounting with his source of credit for the purchase of slaves, goods, machinery, and personal needs after the current crop had been marketed.

As previously indicated, planter demand for credit accommodations was quite heavy because of the commercial, capitalistic type of agriculture pursued and the length of time between the

[12] Letters May 13, June 15, July 15 and 22, Sept. 4, Oct. 2 and 18, Nov. 1, Dec. 9 and 28, 1858; Feb. 22 and Aug. 4, 1859, Letters of C. D. Hamilton at Grand Gulf, Mississippi, 1858–1868, Mississippi Dept. of Archives and History, Jackson.

planting and sale of the crop. In 1861, for example, it was estimated that current indebtedness of Louisiana planters to some forty New Orleans factors totaled $8,000,000.[13] Much of the goods advanced and money loaned by factors were informally secured by prospective crops. Factors often refused to advance credit unless they were given exclusive rights to sell the planter's crop, and there was an additional protection in the penalty commission clause of the factorage contract, which guaranteed that production would not fall below a certain quota without the planter paying the commission on the shortage. Loans of some duration could be backed by plantation mortgages and notes, which, with the factor's endorsement, might be rediscounted by the factor's correspondents in any financial center.[14] Interest rates under this system ranged generally from 8 to 12 per cent, but in return the planter found the estimates of his capacity to pay generously interpreted and could obtain credit for a sufficient length of time to enable him to operate.

Factors advanced loans to planters fundamentally because they wanted control of the sale of staple crops. Their connections with credit extension were thus incidental to their primary function of serving as commission men for the sale of staples. For this the general charge was 2½ per cent of the sum realized, although it might run as high as 4. The services recognized in this charge were not simply those of finding a purchaser in the port city for the planter's crop. The factor prided himself on keeping abreast of cotton supplies and world prices, thus offering the services of a market specialist in determining the right moment to release the crop in the interest of obtaining the best returns.

Moreover, the factor generally assumed responsibility for looking after the crop from the time it left the plantation until

[13] Roger W. Shugg, *Origins of Class Struggle in Louisiana: A Social History of White Farmers and Laborers during Slavery and After, 1840–1875* (University, La., 1939), 110.

[14] Unless otherwise indicated, the writer has drawn on Alfred H. Stone, "The Cotton Factorage System of the Southern States," *American Historical Review*, XX (1915), 557–65, and Gray, *History of Agriculture*, II, 711–15, and 749–51, for the general plan of factorage operation. The movement of tobacco to the interior after the American Revolution weakened the factorage system of marketing that staple. See *ibid.*, 771–74. A recent article of value, particularly on the relation of banking to factorage, is J. Carlyle Sitterson, "Financing and Marketing the Sugar Crop of the Old South," *Journal of Southern History*, X (1944), 188–99.

it had been transferred to other ownership. A whole series of fees were assessed against the planter in this connection for freight, insurance, drayage, storage until sale in the port city, weighing, sampling, mending, and repairing. Such charges became somewhat standardized and the planter was supposed to pay only the actual cost. Since agencies which performed these services were largely dependent on the factor for business, however, the latter occasionally was accused of receiving drawbacks for allotting the work to particular companies or persons.

Factors also purchased supplies for their clients, generally receiving for this a commission of 2½ per cent. The cotton commission house of John A. Winston and Company of Mobile, for example, handled the business of a great many planters and larger farmers in parts of Mississippi and Alabama. Winston's records show that these did not order dry goods and personal clothing through his company to any great extent, but such items could of course be selected personally on visits to Mobile. On the other hand, more standard supplies were commonly sent out by Winston. Thus, on February 28, 1852, Pinckney H. Ashe of Scooba, Mississippi, wrote that he had started his whole cotton crop, consisting of twenty-seven bags, on its way to Mobile. Since Winston had control of his crop, he asked to be furnished with groceries in return: two barrels of flour, 200 pounds of brown and 200 of white sugar, 200 pounds of rice, one sack of coffee, a box of candles, one box of Colgate soap, one barrel of molasses, and a keg of mackerel.[15]

Such items could be purchased at country stores near the farm or plantation, but certain influences inclined many to buy as much as possible through factors in the larger port towns. For one thing, goods obtained on credit from local storekeepers were considerably more expensive than if bought for cash. The factor as the source of credit could purchase for the planter or large farmer in the city for cash, even though he assessed an interest charge on the money advanced to cover the supplies. Perhaps the planter also often felt that purchases made in this manner enabled him to avoid the markup which country store-

[15] Letter Feb. 28, 1852. Numerous letters of this type are in the Winston records for the 1850's. Wallace Parham Manuscript Collection, Alabama Dept. of Archives and History, Montgomery.

keepers added to merchandise. The port towns also received larger quantities of goods and had a greater flexibility of prices through the year than was to be found in smaller places. Since the factor was expected to be an experienced buyer the planter could feel that he was relying on better judgment than his own in the selection of standard items in which personal tastes were not so important.

Since the factor was buying on commission for the planter and was expected to obtain the best possible prices, he theoretically should not have carried supplies of his own in order to prevent the temptation to work off his own merchandise, whether it happened to be the cheapest or best at the moment or not. Most factors would have found it difficult to stock all the range of merchandise and provisions which their country correspondents requested during the course of the year. Nonetheless, a good many seem to have carried at least some goods or to have accepted items for sale on commission.

This situation is reflected in the correspondence of Robert Mackay, a Savannah commission merchant in 1815. The firm of Davidson and Simpson in England had planned to send a shipment of woolen goods for Mackay to sell, and the latter had expected to be able to dispose of such consignments through a Mr. Williamson who had extensive factorage connections with planters. Williamson had imported goods directly, however, and this outlet had been lost.[16] In this case the factor extended his primary function as a commission man for the sale of cotton to include the stocking of certain imported items for plantation sales.

Although the factorage system was designed especially to meet planter needs for credit, merchandise, and marketing of staples, it was subject to caustic criticism at times by the producers who relied on it. In this respect it is worth noting that the South was the first part of the United States to develop commercial, capitalistic agriculture and also first to express organized farm opposition to marketing agencies. Priority in each instance was not mere coincidence. The highly capitalized system of production under which the planter operated was far more

[16] Letter Oct. 13, 1815, Robert Mackay Letter Book, 1815–17, Mackay-Stiles Papers, 1762–1899, University of North Carolina Library, Chapel Hill.

sensitive to market trends than was the more general type of farm economy practiced elsewhere. As a result, the planter was more prone to question the whole marketing mechanism and to ask for changes, especially in periods of declining prices. He objected to prevailing rates of interest and demanded the creation of a banking system suited to his needs. At times he complained of the supposed venality of the factorage group, and suggested the creation of a planter-directed marketing system to replace the factor. At such times the factor was accused of acting as both buyer and seller of the same crop and therefore of failing to represent the planter properly. He was accused of accepting drawbacks from those hired to handle the crop as it went through the process of marketing and of failure to pass such savings on to the planter. Withholding of money for inordinately long periods and outright falsification of sales occasionally were said to be common practices of factors.[17]

Such criticisms found their way into southern newspapers at a relatively early date. In the early 1830's Greene County, Alabama, planters apparently petitioned the state legislature to curb Mobile commission houses in practices which were considered to be unfair to the farming interests of the state. The Tuscaloosa, Alabama, papers in 1836 stated the farm grievances at some length, claiming, for example, that Mobile factors charged unduly heavy fees for storing cotton and then often left it in the open until sales were completed. Buyers and factors were said to be too closely allied for the latter to give the best service to planters. Factors were thought to charge too much for their work, and were accused of often keeping money received for crops for considerable periods of time following sales. These and other complaints had created a movement in favor of public warehouses at Mobile under the supervision of state agents. In this way factors could be wholly eliminated and buyers would have to deal directly with planters.[18]

The complaints tended to increase with the passage of time, and also broadened in scope to include a critical appraisal of the

[17] For a general treatment of agrarian discontent see Gray, *History of Agriculture*, II, Chap. 39, especially pp. 924–27.

[18] This whole movement was reported in the Tuscaloosa *Flag of the Union*, and from there in the Mobile *Commercial Register and Patriot for the Country*, December 28, 1836.

whole economic structure of the South. The Opelousas, Louisiana, paper in 1854, for instance, carried a humorous, but nonetheless biting, article on the effects of the credit system. Mr. Peter Pumpkin served as the example of the cotton planter who had learned to act the part of an unethical, slippery character in the midst of feverish credit expansion and generally low business standards. Southern country storekeepers and their eastern creditors came in for a share of blame as the skit developed, but factors also were handled far from gently. Mr. Pumpkin was thus said to have sold his cotton through the New Orleans firm of "Kit Swindler and Co.," who had delayed making reports on sales by denying having disposed of the crop because of the potato rot in Ireland and giving other farfetched explanations for the price being lower than what they hoped to obtain for their client. Such excuses were mere blinds to conceal the fact that the cotton had been sold in January, and that "Kit Swindler and Co.," hoped to use the proceeds until June, after which they intended to pay Mr. Pumpkin only eight cents a pound when they had received ten.[19] Out of such background developed the series of planter conventions which met in the 1840's and 1850's.

Planter suspicion of the factorage system undoubtedly favored the country storekeeper in his efforts to obtain a share of the trade of the wealthier classes. Although he too was not considered above criticism, he carried on his business operations in greater proximity to his customers, who thereby had more opportunity to check their impressions by actual observation. Even if this failed to allay suspicion of his honesty and the value of his services he at least provided some competitive opposition to the factor.

Since appraisals of the factorage system came primarily from those who employed its services, it was evaluated largely in terms of how well it performed the immediate duties for which it had been created. The great body of southern farmers apparently failed to realize that their welfare could be decidedly affected by a marketing system which they did not employ to any great extent. Nonetheless the plantation-factorage regime did influence the general economic welfare to a remarkable degree, and its virtues and faults in this respect are probably more important

[19] Opelousas *Courier*, May 13, 1854.

in the long run than any judgment of how well it met the specific economic problems of the class for which it was created.

Attempts at broader appraisal of course involve the assumption of standards of measurement against which a system may be judged. The reminiscences of Letitia Carson, the daughter of an early Mississippi planter, of life on the Tombigbee River in the early days of Mississippi history, for instance, stress only the charm and color which accompanied the factorage method of marketing. Planters hauled their cotton to a warehouse on the Tombigbee and sent it downstream from there to Mobile. During the winter months they made several trips to Mobile to adjust their business with commission men and to lay in supplies. On the planter's return: "For two or three days, six-mule wagons with two or three outriders, accompanied by the overseer, made daily trips to the warehouse and came back laden with barrels of flour, sugar, and canned fruits (in wide-mouthed bottles, not jars, sealed with red and green sealing wax)—loaded with boxes of oranges and fresh fruits. . . . Then supplies of hardware for the year—and the crowning glory! the presents, books, toys and games!" [20]

On the other hand, W. G. Robertson of Montgomery, Alabama, on the basis of long observation of local conditions both before and after the Civil War, stressed the extent to which ante-bellum merchandising was retarded. He did not directly blame the factorage system, but his comments indicated its importance in limiting the development of interior towns. Wealthy planters with thousands of dollars, said he, spent their income on North and South Carolina slaves and for Kentucky and Tennessee mules. Cotton was shipped to Mobile and New Orleans, thus depriving local merchants of an opportunity to handle the crop. Although Montgomery increased in population and possessed some excellent mercantile firms, it was a poor place for business as compared with the post Civil War period. Planters made everything at home except flour, sugar, and coffee; consequently, store accounts were small. Robertson estimated that Montgomery stores in 1890 sold as much in thirty days as they had been able to dispose of in a year before the war. In the

[20] Source Material for Mississippi History, Lowndes County, XLIV, Part 1, pp. 39–40.

earlier period it was more a place of residence than of business.[21] Robertson undoubtedly overstated the situation, as elderly people in reminiscing are prone to do, but he knew Montgomery well enough for his observations to carry weight.

The factorage system undoubtedly retarded the development of interior towns and stores to a serious degree. A northern or western storekeeper moving to the South to open business would have been familiar with the commission, storage, and forwarding system in all towns of any size in his own part of the country. In ante-bellum days systems of transportation were not organized on a national scale as at present. Now it is possible to ship goods from coast to coast without worrying over transfers from one line to another along the way. Before the Civil War goods might travel by wagon to Pittsburgh, then be transferred to a steamboat, and ultimately back to wagons before reaching their destination. Storage and forwarding houses were essential parts of this system. Such firms also frequently engaged in selling or shipping goods and produce on commission from the warehouses which they had to maintain in connection with the other functions of their business.[22]

This commission, storage, and forwarding organization co-operated with similar organizations in smaller places in handling shipments of goods and crops but did not compete with country and small-town storekeepers in the sale of goods to the ultimate consumer. St. Louis, Missouri, commission firms, for example, handled business for country storekeepers, but did not compete with them in retail trade. Even in Missouri River counties, where large farms occasionally were operated by slave labor, local merchants acted as first agents in exporting crops and also supplied farmers with merchandise.

The southern commission, forwarding, and factorage system was somewhat like the commission, storage, and forwarding organization elsewhere in the country, and a storekeeper arriving in the South to open business would have noticed the similarities. Nonetheless, he would have been surprised at the competition of the southern factorage system in local trade. This perhaps

21 W. G. Robertson, *Recollections of the Early Settlers of Montgomery County and their Families* (Montgomery, 1892), 11–13.

22 See Lewis E. Atherton, *The Pioneer Merchant in Mid-America*, University of Missouri *Studies* (Columbia, 1939), 100–102.

constituted the most pervading difference between southern mercantile methods and those elsewhere in the country. Moreover, it was bound to retard the development of interior towns and stores, because much of the patronage of prosperous agriculturists went to businessmen located in larger cities.

In specific terms, it meant that the loss of patronage of planters like C. D. Hamilton of Grand Gulf, Mississippi, and of the large farmers like Pinckney H. Ashe decreased the volume of business transacted at interior trading centers. The latter were thus prevented from carrying the wealth of goods which they otherwise might have stocked, were less stimulated to move in the direction of specialized economic services, and were less able to meet the needs of those who had to depend on them completely. Their customers came largely from the great body of southern farmers who did not deal directly with factors. For such people the dwarfed town and village economic life created a severe handicap.

Mercantile establishments in seaboard centers addressed numerous advertisements to planters and country storekeepers; indeed, planters sometimes received the most attention in these. In other words, they were expected either to visit the cities to buy in person or to order merchandise through their factors. Illustrations in southern papers are voluminous. A Natchez, Mississippi, paper in the fall of 1840 contained advertisements of New Orleans hardware, plantation implements, fine furniture, drugs, boots, shoes, and trunks, all directed at the planter trade around Natchez.[23]

Bookstores, dentists, doctors, and theatrical companies likewise inserted notices in interior papers in order to share in the patronage of planters who visited seaboard cities on business.[24] The wealthier classes of course would have made such trips whether a factorage system had existed or not. On the other hand, economic connections with seaboard factors stimulated planters to take advantage of the professional, cultural, and recreational life of the large cities. Certainly the tendency of the system was in the direction of drawing planter attention toward the coastal

[23] New Orleans Directory in *Mississippi Free Trader and Natchez Daily Gazette*, Sept. 1, 1840.

[24] New Orleans Directory in *Mississippi Free Trader and Natchez Gazette*, April 27, 1850.

cities. Had the South been composed wholly of an agrarian aristocracy this tendency might have been of little consequence; for the great body of middle-class southerners, however, it meant a limiting of the cultural and professional services which would have been available in rural towns on a larger scale if the patronage of the wealthier class had not been drawn elsewhere.

The factorage system also had a tendency to concentrate capital in a few cities devoted to the marketing of staple crops. In so doing it provided the credit resources needed by planters, but it also weakened any drive in the direction of dispersing credit facilities among smaller urban communities and of giving them a chance to share in the control of this very important element in economic life.

It is even doubtful that this concentration helped the larger southern cities in the long run. As will be pointed out, country storekeepers bought a large part of their merchandise in eastern wholesale centers, and one of the primary reasons behind this was the liberal credit available. Southern seaboard mercantile establishments on the other hand were accustomed to having factors pay cash for merchandise obtained to supply plantation orders. Since interest charges for this service were passed on to planters, there was little stimulus to the factor or southern wholesaler to attempt any other system. Southern wholesalers did sell goods to southern country merchants on credit, but the latter considered the East more liberal in the matter. Cash transactions between wholesalers and factors probably made the wholesaler less patient with the long-term credit needs of country stores and therefore less energetic in trying to adjust himself to these. If the factorage system had not stood between seaboard stores and wholesalers on the one hand and part of the consuming public on the other, the business firms in such cities would have been forced to more aggressive action in such matters.

The student who ultimately surveys the detailed operations of the factorage system can well afford to investigate this whole question of what factorage influence on credit meant to the economic development of the South as a whole. It was credit suited to the convenience of large agricultural producers rather than to the needs of merchants who would in turn serve smaller

agricultural producers. Certainly mercantile capitalism with its ultimate trend toward specialization in manufacturing, banking, or straight merchandising, which was much more characteristic of the northern cities in the earlier part of the nineteenth century, did not thrive so well in the South.[25] Perhaps the adjustments which the South had made in the colonial period in the matter of commercial, capitalistic production and which continued to exist as an understandable solution of the marketing needs of the large agriculturist also tended to prevent a full development of merchandising and manufacturing in seaboard centers as well as in the interior.

[25] See N. S. B. Gras, *Business and Capitalism. An Introduction to Business History* (New York, 1939), Chaps. IV and V for an analysis of the shift from mercantile capitalism to industrial capitalism in world economy.

CHAPTER THREE

The Southern Store

SINCE SOUTHERN SOCIETY IN THE ANTE-BELLUM PERIOD WAS essentially rural and middle class, storekeepers found it necessary to adjust their plan of operation accordingly. A recent study of class structure in Alabama as revealed in the manuscript census returns for 1850 comments:

> Today, the black belt of Alabama and of the entire Lower South has 70 to 80 per cent landless farmers, a good portion of whom are whites. Before 1860 the reverse situation prevailed: landownership was widely diffused and was spreading rapidly. . . . A further analysis of the nonslaveholding farmers discloses the fact that roughly the three fourths who owned up to 200 acres cultivated about 50 acres of land or a three-horse farm. The fraction who owned above 200 acres cultivated from 50 to 200 acres of land, and usually employed hired labor which not infrequently embraced the slaves of some neighboring planter.
>
> What of the sizes of the landholdings of the slaveowners? It is, perhaps, surprising to find that the majority of slaveowners even in the black belt of Alabama had farms that varied in size from a few to 500 acres, and that while the largest single group of nonslaveholders owned from 50 to 100 acres, the largest group of slaveholders owned from 100 to 200 acres of land. In other words, the majority of slaveholders even in the black belt were farmers rather than planters, who owned a few slaves and worked in the field with them.[1]

In the Alabama Piedmont and pine barrens the large-planter class was practically nonexistent; in the black belt it constituted some 12 per cent of the slaveholding group. The very poor (those possessing less than $100 worth of property and farm produce) made up some 5 per cent of the population in the black belt. This ratio increased in the Piedmont and pine barrens, but the

[1] Frank L. and Harriett C. Owsley, "The Economic Basis of Society in the Late Ante-Bellum South," *Journal of Southern History*, VI (1940), 24–45.

great majority lived a comfortable life, devoted to general farming and livestock husbandry.[2]

The heavy emphasis on agriculture naturally retarded the development of cities, commerce, and manufacturing. Professor George Tucker of the University of Virginia estimated that in 1840 some 13.6 per cent of the American people lived in cities larger than 2,000, with the average for the southern seaboard states being only 4.4 per cent and for the deep South 6.6 per cent.[3] By 1850 the percentage of people in cities above 3,000 had risen to 16.1 for the United States as a whole, considerably above that for the seaboard South with a figure of 5.4 and the deep South with 6.2.[4] Contemporary studies of the percentage of people engaged in commerce, manufacturing, and agriculture supported Tucker's general analysis. One commentator on the 1840 census estimated that one person out of each 146 in the United States was in commerce and one in each 22 in manufacturing. Here again the South remained below the national average. Only one person out of each 197 in the slave states lived by commerce, and only one out of 40 by manufacturing, whereas for the free states the ratio in commerce was one in 122 and in manufacturing one in 17.[5]

Obviously the South was the most agrarian section of a predominantly rural nation, with a comparatively smaller ratio of people in towns, in manufacturing, and in commerce. This remained true to the Civil War period and demonstrated in a broad way that southern farmers were served by a local com-

[2] *Ibid.*

[3] George Tucker, "Progress of Population and Wealth in the United States in Fifty Years, as exhibited by the Decennial Census, taken in that period," *Hunt's Merchants' Magazine,* VIII (June, 1843) 505–12. This consisted of Chap. XVI, "Cities and Towns," of a series of studies based on the 1840 census which Tucker was doing for Hunt's magazine. He included Virginia, North Carolina, South Carolina, Georgia, and Florida in his southern seaboard group. Alabama, Mississippi, Tennessee, and Louisiana made up the deep South area. New Orleans of course raised the average of the deep South far above what it would have been with that city excluded.

[4] George Tucker, "Progress of Population in the United States," *Hunt's Merchants' Magazine,* XXXIII (Feb., 1855), 191–207. Here he included Virginia, North Carolina, South Carolina, and Georgia in the seaboard South, and Alabama, Mississippi, Louisiana, Tennessee, and Texas in the deep South.

[5] Jesse Chickering, "Proportion of Persons to the Population engaged in Seven Principal Employments in the United States, as Exhibited by the Census of 1840," *Hunt's Merchants' Magazine,* VII (Oct., 1842), 337–43.

mercial system which lacked the strength and maturity found in other parts of the country.

This situation can be illustrated from the 1840 census figures on trade and commerce, although too much reliance must not be placed on these.[6] In the first of the following tables data on

[6] In 1840, for the first time in the history of the United States census, an attempt was made to obtain information on trade and commerce. Statistics on the number of commercial and commission houses and on retail dry-goods, grocery, and other stores, with the amount of capital invested in such businesses, appeared in the published reports of that census. Carroll D. Wright and William C. Hunt in their study, *The History and Growth of the United States Census, Prepared for the Senate Committee on the Census,* 56 Cong., 1 Sess., Serial No. 3856 (Washington, 1900), 38, point out that the plan to collect such information was viewed with disfavor in some sections of the country, many people fearing that it was merely a precursor of direct federal taxes.

Furthermore, the attempt to obtain statistics which could be used to judge the real extent of development in the new fields to be measured was made at a very bad time. The Panic of 1837 and the years of depression immediately following caused so many failures and so badly disorganized business that the 1840 figures reflected only a very transitory picture, quite apart from the degree of accuracy with which they were collected. Also, every heading under which information was obtained bristled with problems which would have stumped even men trained in statistical methodology and thoroughly familiar with common business patterns. Such men obviously were not available for the field work, and apparently not even for drafting the general plan of procedure.

At a time when wholesale stores in large cities also carried on retail trade, and storekeepers in small towns advertised both as wholesalers and retailers, the term "retail stores" was only a very rough tool of classification. There was even a problem of determining whether a man belonged in the manufacturing or merchandising section of the census, a difficulty which also bothered those who took the 1850 and 1860 censuses on occupations. Shoemaking, tinsmithing, harness making, and other trades had many men who purchased quantities of ready-made items to retail in addition to what they produced in their own shops. Were they artisans and manufacturers because they still made part of their goods, or were they to be included in several categories of the census, thus throwing the whole out of line? At least one census taker in Alabama in 1850 puzzled over the problem as evidenced by his listing of one individual as a boot and shoe merchant and others as bootmakers and shoemakers. See Manuscript census returns for Alabama in 1850, Madison County, Vol. 143, Schedule 1, Alabama Dept. of Archives and History, Montgomery.

Even more of a problem was the determination of actual investment in retail stores, a factor complicated by the decrease in prices following the Panic of 1837. Individual merchants were prone to overvalue buildings and stocks in normal times, and to carry these estimates over into periods of depression. In 1840 did they give census takers figures on the basis of what they had actually put into the business, figures on what it was probably worth after the Panic—if they knew, or did they far underestimate the value because they feared the information would be used in levying direct taxes on them?

The writer has not seen the manuscript census returns for 1840, but those for 1850 and 1860 unfortunately do not offer the same help in analyzing merchandising that they have given in the field of agriculture. Beyond furnishing data on age, value of real estate, and origin of merchants they are scarcely more helpful than the published census reports constructed from them.

population, investment in retail stores, and total number of retail stores in southern states have been assembled, along with the same information on certain northern and western states for purposes of comparison. Table II indicates the relative concentration of retail stores in larger cities in North and South.[7]

TABLE I

State	*Slaves*	*Total Population*	*Investment in Retail Stores*	*Total Retail Stores*
New York	4	2,428,921	$42,135,795	12,207
Pennsylvania	64	1,724,033	35,741,770	6,534
Ohio	3	1,519,467	21,282,225	4,605
Virginia	449,087	1,239,797	16,684,413	2,736
Maryland	89,757	470,019	9,246,170	2,562
Louisiana	168,452	352,411	14,301,024	2,465
Georgia	280,944	691,392	7,361,838	1,716
Illinois	19,331	476,183	4,904,125	1,348
South Carolina	327,038	594,398	6,648,736	1,253
North Carolina	245,817	753,419	5,082,835	1,068
Tennessee	183,059	829,210	7,357,300	1,032
Alabama	253,532	590,756	5,642,885	899
Mississippi	195,211	375,651	5,004,428	755
Arkansas	19,935	97,574	1,578,719	263
Florida	25,715	54,477	1,240,380	239

[7] *Compendium of the Enumeration of the Inhabitants and Statistics of the United States*, 6th Census (Washington, 1841). The 1850 and 1860 census reports did not continue information of this type. Both included occupational statistics, giving the numbers in mercantile fields such as booksellers and stationers, clerks, confectioners, grocers, merchants, produce dealers, traders, and wine and liquor dealers. These tables reveal little or nothing of importance that cannot be seriously challenged, and they have been omitted for that reason.

While the average number of stores and average investments per capita could be figured on the basis of the tables presented from the 1840 census, the results would mean little because of the great range in value of stores within individual states and also as between states. Putnam County, New York, for instance, had 47 stores with a total investment of $105,950, which would give an average of only a little over $2,000 per store. Richmond County had 49 stores with an investment of $58,870, or a little over $1,000 per store. Yates County had 51 stores with an investment of $162,635, or almost $3,000 per store. Tompkins County had an average investment of over $5,000 for each of its 95 stores. Since the range in each county also was probably great, it is clear that New York State had retail establishments ranging from very small to very large units.

Similar ranges were typical of the South. Ten parishes in Louisiana reported no stores at all in 1840; Jefferson Parish, just south of New Orleans, had 143 stores with a total investment of only $64,749, less than $500 per store. St. James had 14 stores with an investment of $155,000, better than $11,000 per store. East Baton

TABLE II

State	*Total Retail Stores*	*Number in Certain Cities*	
New York	12,207	New York City	3,620
Pennsylvania	6,534	Philadelphia	2,078
Louisiana	2,465	New Orleans	1,881
Maryland	2,562	Baltimore	1,310
South Carolina	1,253	Charleston	582
Virginia	2,736	Richmond	269
Alabama	899	Mobile	248

These figures justify a number of general conclusions. In the first place, the North and West, both on a population and an absolute basis, had more stores and larger investments in these than did the South. Secondly, the South had a greater percentage of its retail stores concentrated in the larger cities, the result, at least in part, of the factorage system's influence. Thirdly, the South obviously had a sizable number of retail stores outside the greater commercial centers. These were distributed on a wide geographical basis and offered perhaps a greater range of economic services to their middle-class customers than did similar institutions elsewhere in the United States because of the relative lack of opportunity for specialization.

The most obvious economic function of these country and interior stores consisted of supplying merchandise to the rural population. Contemporary accounts of southern life reveal the diverse groups which depended on the storekeeper for this economic service. The smaller farmers relied almost wholly on local stores for their supplies. Their yearly production was far too small to attract the direct interest of seaboard factors, they lacked the time and money to travel to larger trade centers, and their ignorance of the world at large made them fearful of distant journeys. Daniel R. Hundley in his biting attack on southern storekeepers which appeared in 1860 pictured a deceitful clerk

Rouge had 34 stores with an investment of $243,550, whereas St. Landry's 37 stores were valued at $512,900. Montgomery County, Alabama, listed 30 stores with a value of $429,100, or better than $14,000 per store. Jefferson County in the same state had 30 stores worth only $13,000 or a little more than $400 each. DeKalb County had 10 stores worth only $12,500, whereas Cherokee County had 17 with an investment of $71,700. Braxton County, Virginia, had two stores valued at a total of $10,500, whereas Jefferson in the same state had 57 valued at $32,000.

welcoming the country greenhorn with a heartiness considered proper for that class: "How are ye, Tom, ole fell'—give us your paw! Haven't seen you in a coon's age—why haven't you been round to see a feller, eh? And how's the old folks, and *craps,* and that blamnation pretty sweetheart of yours, ha, ha?" [8]

An advertisement by J. M. Sledge, a storekeeper of Huntsville, Alabama, in 1850, was obviously pointed at this same type of customer as indicated by the "folksy" nature of the concluding parts of his announcement:

"Miss Kate did you buy that pretty dress?" "I didn't do anything else." "Where did you get it at?" "At that man's that sells so cheap, I don't know his name, but he sells for the Spisorinctums." "What does he mean by the Spisorinctums?" "He will tell you when you buy the goods. He sells a dress of the prettiest Calico for one dollar, I ever saw."

"Does he sell domestics low?" "Jewhiliken he sells bleached and unbleached at 6½ cts. per yard;" "how many yards for $1?" "16 yards." "Bless goodness how cheap!" "Does he sell spun truck?" "He does that, if he don't I'll faint—he sells all sizes at 10 cents"—"by golly how does he do that?" "I don't know, but he does it"—"by Sligo that will do. But I don't want dresses, I want nails, what does he sell them at?" "5½ by the keg!" "that's cheap. Does he sell shoes cheap?" "yes sir-ee;" "Well he's the chap for my dimes. I wonder if he sells blankets cheap, I want to get me one to make a coat"—"he does hoss!" "well I must call upon him when I go to town. Where does he keep?" "Right south of the court house," "by Dod I will see him in a few days—Does he keep good liquors?" "yes, and he has a good deal drank, without getting anything for it"—"well that's all right, he gets all our money." [9]

Although such people had only limited purchasing power their aggregate trade reached proportions which justified mercantile attention to their wants.

Of greater value, however, was the patronage of the wealthier farmers, many of whom owned a number of slaves. Some of these purchased merchandise beyond the confines of their own immediate locality. Nonetheless, a number of considerations inclined them to favor local storekeepers. Many of them had risen to relative affluence in a short period of time. In the beginning they had been compelled to buy from local stores; habit and ac-

[8] Hundley, *Social Relations,* 107. [9] Huntsville (Ala.) *Democrat,* Oct. 3, 1850.

quaintance tended to confirm this relationship. They also lacked overseers to manage their farms in their absence and preferred to keep a close supervision over farming operations. Moreover, they could estimate their financial condition better by dealing with local businessmen instead of buying and selling through distant agents.

In his book, *Mississippi Scenes,* Joseph B. Cobb described a trading trip of a small slaveowner to the town of Columbus with his family. Cobb intended to ridicule in a friendly manner the desires of middle-class southerners to emulate the planter aristocracy. He came no closer to truth than burlesque usually does, but his picture was far more accurate than accounts which ignore the essentially middle-class composition of southern society.

His story concerns Mr. Pynsent Plainlove, who had built a comfortable way of life on his farm, Frogmarsh, in the three years following his removal from Tennessee. Although the owner of fifteen slaves, Mr. Plainlove considered himself a farmer, to which his wife and two grown daughters took exception because of social ambition. Out of this conflict the story develops. The wife and daughters refused to travel on horseback, the common way. As a result, Plainlove was compelled to drag out an old barouche, which gained nothing in appearance when two mules with plow bridles and shuck collars were hitched on. For coachman he used an old Negro who had driven for gentry in his younger days and whom Plainlove had acquired as a gift when he purchased the wife and children of the man at a gentleman's sale. Plainlove rode one of his own blooded mares, with his son mounted behind, and thus the family traveled to town. The father had to endure the smiles of his friends as the procession entered Columbus, although they bowed courteously to his womenfolk before revealing their real feelings to him.

Wife and daughters were oblivious of the real impression which their entry had created, and equally unsuspecting of the cordiality of the owner and the clerks at the large general store where they stopped to trade. Plainlove himself was torn between the recognition of his financial standing, evident in the manner in which his family was urged to buy, and a realization that this very standing would enable his family to indulge its extravagant

taste at his expense. As he had feared, his wife and daughters reacted to flattery by purchasing far more than originally intended.

Two or three of the younger clerks, seeing the warmth with which their employer greeted the Plainlove family, had hastened to seat the ladies on high, slender stools at intervals along the main counter. Bolts of calicoes and nankeen were then dashed on the counter in a rapid series of booms for inspection by the prospective purchasers. While leghorn bonnets, bronze-colored kid slippers, gloves, and dry goods held the attention of his wife and daughters, Plainlove decided to examine shoes for his six-year-old son in anticipation of future needs. A clerk seemed to divine his plan and with the help of another emptied a large drawer full of the articles on a counter, whereupon Plainlove felt obliged to purchase a pair to make amends for all the trouble which he had caused.

In the course of events he and Mrs. Plainlove purchased plates, dishes, tureens, slop bowls, and sugar vases, the sturdiness of these having been demonstrated by resounding whacks against the counter on which they were arranged. The owner insisted on showing the Plainloves still more of his merchandise, such as perfume vials, scented soaps, fancy combs, flashy ribbons, and looking glasses. Since these failed to arouse any marked enthusiasm, he directed attention to his stock of parlor carpets, and Mr. Plainlove was unable to escape before his wife selected one for the family home. The quantity of purchases made it impossible for the family to leave town in the manner in which it had arrived without increasing the ludicrous effect originally achieved.[10] Within his exaggerated picture Cobb included a fair description of an ante-bellum store and of its best class of customers, prosperous middle-class families of an economic status somewhat below the small group of wealthy planters.

Even the latter purchased at least part of their merchandise from the stores near their plantations. Crops might be sold through seaboard factors and large quantities of supplies obtained in return, but it was impossible to rely on such connections for

[10] Joseph B. Cobb, *Mississippi Scenes* (Philadelphia, 1851), 41–53. The book was written in the style of A. B. Longstreet, and Cobb acknowledged his indebtedness by dedicating the book to Longstreet.

needs requiring immediate attention. These had to be filled at near-by stores, and planters and their families could not escape a tendency to purchase other items which they saw in neighboring villages and towns on visits undertaken for the transaction of other business. A description of gatherings at Thibodeaux, an old French town in Louisiana, in the late 1850's speaks of boats with brown-lateen sails carrying lovely girls and dark-eyed mamas and aunts to shop among the treasures of dry goods, jewelry, and millinery in Thibodeaux stores. Perhaps one might see the "elegant yacht" of two rich brothers who had come up from their estate on the bayou in a two-hour sail to pass an afternoon playing billiards or to meet the young girls in town, for on certain days, usually Saturday by consent, all came to town.[11]

Luxury goods of the type not likely to be purchased in quantity on planter trips to seaboard cities naturally attracted the gentry when on display in local business establishments. Hundley severely criticized the limited purchases of this class and the obsequious manners of clerks in waiting on ladies of wealth when they visited local stores. Then the clerk became: ". . . affable, how polite, how cringing, how nimble of feet, how full of smirks and grimaces! With happiness divine beaming in his glowing face, he tumbles down silks, brocades, velvets, laces, ribbons, etc., etc., piling the counter with the costly fabrics until he is almost hid from view behind the same; and yet, after all his toil and flatteries, his bows and smirks, he is in the end most humbly thankful to sell madam a simple yard of *rubin de fil!*" [12]

Such comments demonstrate the extent to which planter patronage was drained off to coastal cities through the factorage system, but Hundley perhaps overstated the case. The writer has not seen a single set of planter records which did not include purchases from local stores in somewhat greater quantities than Hundley's strictures imply.

A second important economic function of the store consisted of marketing farm crops. Although most storekeepers seem willingly to have assumed this responsibility it was grounded in necessity and could not be avoided. Both cotton and tobacco, the staples which could be produced by farmers of limited means,

[11] J. H. Ingraham, *The Sunny South* (Philadelphia, 1860), 425–26.
[12] Hundley, *Social Relations*, 108–109.

ultimately were marketed through coastal ports. Interior concentration markets for tobacco were quite common [13] but, even so, most farmers still lived at a considerable distance. Seaboard cotton factors were prepared to handle only large aggregations of the crop, which meant that some local agency first had to concentrate the small production of individual farmers. The latter could not afford the time and expense which would have been involved in marketing their own small annual yields. On the other hand, concentration of crops in the hands of local storekeepers gave a volume which could better withstand the burden of marketing costs occasioned by the relatively slow and undeveloped nature of communication and transportation and the additional problem of disposing of the crops through coastal ports.

Even general-farming areas were handicapped in marketing foodstuffs and livestock by circumstances similar to those affecting cotton and tobacco farmers. While much of their output found ready sale in the regions of planter concentration, and consequently did not have to go through to coastal ports, this was partially offset by the fact that cotton and tobacco could be moved with less difficulty and expense.

Moreover, the fact that agricultural communities are always notoriously short of ready cash was aggravated in the ante-bellum period by the relatively undeveloped and generally confused nature of banking. Storekeepers were compelled to accept farm crops in return for merchandise since basically these constituted the only manner of payment available to farmers. Fundamentally, therefore, the southern country and interior store operated on the basis of bartering merchandise for farm crops, and then disposed of the latter as a means of meeting wholesale bills and other expenses.

The system, apart from necessity, had certain advantages for the storekeeper. Since credit was extended to customers for as much as twelve months, accounts were better secured by accepting farm crops in payment instead of insisting that these be marketed through other agencies. Many stores offered higher prices for farm produce in exchange for merchandise than in cash as a means of reducing credit obligations and of securing accounts. Where such an arrangement prevailed, the customer was also

[13] Gray, *History of Agriculture*, II, 771–74.

more tightly bound to the storekeeper and less likely to trade with competitors. Many stores found the marketing of crops profitable within itself, and almost all storekeepers at one time or another were inclined to acquire quantities of cotton or other crops in anticipation of price increases and in keeping with the speculative manias which swept the South periodically.

Both the diversity of methods involved and the prevalence of this marketing function of the store are voluminously illustrated in southern records. Regions which lacked sufficient population or purchasing power to sustain local stores were served in part by peddlers who operated much like the circuit-riding preacher by moving from community to community, thus finding sufficient patrons on a part-time basis to justify the services involved. Frederick L. Olmsted while traveling in Mississippi in the 1850's met a peddler about a half-day ride from Natchez and questioned him about his methods. This man obtained his supplies at Natchez and then visited the back country to dispose of his trinkets, calico, handkerchiefs, and patent medicines among the poorer classes. In lieu of money he accepted eggs, fodder, chickens, rags, "sass," and skins, which could be turned in the Natchez market at an excellent profit.[14]

Country and interior stores reached this same class by maintaining wagon yards where back-country people could camp when they arrived to dispose of their annual crop. Firewood, shelter, and meals were occasionally provided for those who had to spend the night because of the great distance traveled. This applied particularly to inhabitants of newly opened areas, such as Pontotoc County, Mississippi, which was not laid off until 1836. One early settler reported the chief crops in the wooded sections of the western part of the county in the early 1840's as corn, peas, and pumpkins. One to three bales of cotton per family were grown, depending on the number of slaves owned. This was marketed in Memphis, Tennessee, being transported in ox wagons which took ten days to two weeks for the trip. With the proceeds the farmer bought a barrel of molasses, a sack of

[14] Olmsted, *The Cotton Kingdom*, I, 331–32. See also Lewis E. Atherton, "Itinerant Merchandising in the Ante-bellum South," *Bulletin of the Business Historical Society*, XIX (1945), 35–59.

coffee, one hundred pounds of sugar, and two kits of mackerel, his grocery supplies for the year.[15]

In the Piedmont, pine barrens, and mountainous sections of the South, stores acquired a greater diversity of produce because of the more generalized type of farming which prevailed. Advertisements of storekeepers located in such areas contrasted sharply with the usual low-country announcement of goods "cheap for cash or cotton." Wool, beeswax, ginseng, tow and flax linen, feathers, wheat, flaxseed, dry hides, bacon, lard, and butter were frequently mentioned as acceptable in barter, along with numerous other products peculiar to particular localities. Thus J. J. James of Blountville, Tennessee, in 1840 announced his intention of selling thirty to forty wagonloads of general merchandise each year. Cash, feathers, wool, bacon, beeswax, butter, tow and flax linen, cotton and linen rags would be exchanged for goods, and he stood ready to buy all the ginseng "dug in every hill and valley" at thirty cents a pound.[16] General stores, barter and a "folksy" note in advertising distinguished such business up to the Civil War, and even later.

In areas more heavily devoted to staple crops the extent to which storekeepers were involved in marketing farm produce is less obvious from newspaper advertising because of the limited range of items available for disposal. Here stores concentrated on cotton or tobacco, however, simply because these were the dominant crops. The middle-class structure of society even in these regions caused storekeepers to play a prominent part in marketing. This is quite evident from a discussion in the Huntsville, Alabama, paper in 1827 of the current hard times which the region was undergoing. For the past ten years, said the editor, northern Alabama had lived on cotton production, the returns going for every article of subsistence except corn, of which much was grown locally. A planter who produced one hundred bales of cotton worth $3,000 to $5,000 opened an account with his merchant for groceries, clothing, and other necessary items. Flour, meat, whiskey, Negro clothing, bagging, and rope were

[15] Source Material for Mississippi History, Pontotoc County, LVIII, Part 1, interview with Merriman Herndon, an old settler, 242.

[16] Jonesborough *Tennessee Sentinel*, Oct. 31, 1840.

purchased through traders or businessmen, who obtained these from the upper valley or the North.

From 40 to 70 per cent of the annual crop returns went to the merchant. Negro clothing, bagging, and rope took another 20 to 30 per cent. Planters were thus left with little or nothing to meet other wants, especially in years of low cotton prices. The editor insisted that diversification would eliminate much of the annual drain for provisions, but he saw no relief from the storekeeper's bill except perhaps through wholesale purchases in New Orleans.[17]

Direct connections with New Orleans, however, depended on a volume of production which the farmer and small planter could not achieve. Factors reached down to these through connections with local storekeepers who concentrated the cotton locally and continued to supply the needed merchandise. John Read, for instance, operated a general store in Huntsville for some thirty years, with the local papers carrying his advertisements and an occasional reference to his community activities. Read's advertisements followed a very common practice in emphasizing his stock of merchandise and generally made only passing reference to his willingness to accept cotton in exchange. Nonetheless, an entry in his journal for 1836, almost a decade after the local paper had suggested more direct connections with New Orleans, indicated total profits of $9,907.38 on cotton transactions for the preceding year.[18] Read handled some $25,000 worth of cotton in 1835, although several other local general stores were competing with him at the time. Only in the marketing of plantation sugar does the local storekeeper seem to have been eliminated by the factorage system.

The disposal of produce taken in exchange for goods was accomplished in various ways. In the eastern-seaboard slave states it was not unusual to have a partner located on or near the coast who shipped produce to the West Indies or northern markets. Eastern buyers at times asked such organizations to purchase foodstuffs on commission. Storekeepers farther to the interior frequently could dispose of foodstuffs in staple-producing regions.

[17] Editorial, "The Prospect before us," *Southern Advocate*, May 18, 1827.

[18] John Read Journal, 1835–1838, Alabama Dept. of Archives and History, Montgomery, 338.

Peddling wagons might be sent out directly by the storekeeper if the staple areas were not too far removed. Some drove livestock overland to such markets, but more disposed of their holdings to men who engaged directly in such business. Many sold their accumulation through commission houses in coastal ports or forwarded it through these agencies to eastern firms to pay for merchandise obtained there.

Tobacco was disposed of generally at inland concentration markets. Cotton could be consigned to factors in coastal cities. The latter seem frequently to have made agreements with interior storekeepers to accept local cotton and in some cases to advance money through storekeeper to the better-established farmers and small planters. In this arrangement the storekeeper could furnish merchandise from his own stock to his customers and at the same time escape the danger of committing too heavily his own slender resources. There was of course a real saving on transportation costs in processing crops before they started to market. Storekeepers thus frequently owned gins to care for the seed cotton brought in by small producers, as well as linseed mills, grist mills, and, if capital resources permitted, even tobacco factories.

Storekeepers everywhere accepted the obligation of marketing crops for their customers because by so doing they were able to dispose of goods and collect accounts in a system which always operated on a shortage of actual money. Far more wholesale bills to the eastward were paid from the proceeds of farm crops taken in by merchants than by money received from the sale of goods in the store. The storekeeper thus stood in the position of a middleman between farmers in general-crop areas, who had a surplus of foodstuffs for sale, and farmers and planters in the staple sections, who did not produce enough food for their own needs. And all over the South the merchant was a middleman between farmer and planter on the one hand and the eastern wholesaler on the other to a far-greater extent than has commonly been realized. Storekeepers in general-farming areas seemed to be involved in marketing farm crops more than those in the staple-crop regions primarily because of the variety of crops which they handled rather than because of the total volume.

Closely related to the marketing of farm crops was the third

major economic function of country and interior stores, that of supplying credit and exchange. Everywhere in the interior South throughout the whole ante-bellum period mercantile accounts were settled once a year.[19] January 1 was the theoretical date for such accountings, but collections frequently were delayed until the spring months when all returns from crop sales of the preceding season were available. This practice was universal, and customers understood merchants to mean a credit of twelve months or more on goods sold in January when they spoke of granting credit. The custom developed because of the agricultural basis of southern life. Farmers and planters disposed of their staple cash crop once a year and were able to pay for the past year's supply of merchandise at that time. In the interval they lacked ready cash with which to pay for goods, and it was a case either of trusting them until crops were sold or not disposing of goods. Since eastern wholesalers gave storekeepers twelve months in which to settle for merchandise, a store could pay bills and grant twelve months' credit in normal times.

Reference has already been made to the estimate of the Huntsville editor in 1827 that from 40 to 70 per cent of the local cotton crop went to pay the merchant. Part of this sizable volume of annual operating costs which was obtained through country and interior stores represented cash purchases and thus involved no extension of credit. By far the larger part of such transactions consisted of credit sales, however. Even small country stores would have three hundred to four hundred accounts within a short time after starting business. W. W. Harrison had over four hundred families with charge accounts in the course of three years of operation at Carnesville, Georgia, in the early 1850's,[20] and this constituted no unusual number. The following examples from mercantile records are typical of the volume of business done on credit throughout the ante-bellum period. In each case the addition of cash and credit sales for the months given will represent total retail business transacted for the period. Numerous other business records reveal the same situation, and

[19] Paschal, *Ninety-four Years*, 87–88. See also advertisement of Estes, Drake and Company in Columbus (Miss.) *Democrat*, Jan. 7, 1837.

[20] List of accounts in front of W. W. Harrison Ledger, 1852–54, Georgia State Dept. of Archives and History, Atlanta.

it is a very conservative estimate to say that from two thirds to three fourths of all sales were on credit.

TABLE III

Goose Creek, Virginia, in 1816–17:		Cash	Credit	Huntsville, Alabama, in 1835–36:		Cash	Credit
November,	1816	$230.00	$2,445.50	August,	1835	$ 92.69	$ 716.91
December,	1816	558.24	4,392.43	December,	1835	242.06	1,651.44
May,	1817	220.80	1,913.62	May,	1836	293.00	1,315.59
June,	1817	189.66	1,858.05 *	June,	1836	204.88	970.31 †

Jeanerette, Louisiana, in 1852–53:		Cash	Credit	Mississippi City, Mississippi, in 1855:		Cash	Credit
October,	1852	$204.55	$1,321.74	January,	1855	$105.00	$341.42
December,	1852	325.00	1,240.11	April,	1855	105.00	602.47
May,	1853	245.00	776.63	July,	1855	81.00	355.77
June,	1853	140.00	767.88 ‡	October,	1855	129.60	416.32 §

* Cash and Credit Sales Book, 1816–17, Davis and Preston Mercantile Records, 1773–1826, Duke University Library, Durham.

† John Read Journal.

‡ Journal, 1852–53, of John Barnard, William T. and George D. Palfrey Manuscript Collection, 1832–1918, Louisiana State University, Baton Rouge.

§ Journal, 1854–60, Calvin Taylor and Family Collection, Louisiana State University.

Store credit was obtained largely in the form of merchandise, and included a very wide range of items—groceries, dry goods, tools, and provisions. It seems never to have extended to the purchase of slaves or land, and only to a limited extent to the advancement of cash sums to customers. It had the advantage of being generally granted in a liberal manner and of extending long enough in point of time to enable the agriculturist to meet his obligation. It was flexible, too, in the sense that it could be and was advanced in amounts from very small sums to sizable quantities.

On the other hand, this widespread and relatively long-term system of credit was especially susceptible to the effects of crop failures or of declines in farm prices, quite apart from the destruction wrought by periods of great depression such as the Panic of 1837. The editor of a Baton Rouge paper in 1854 in commenting on the advantages to be had from cash sales claimed that local merchants calculated on an average annual loss on

credit sales of about 20 per cent and had to maintain high prices in order to cover this.[21] Similarly, a Philadelphia paper in the same year claimed that some local wholesalers had sold at only 10 per cent advances on credit for a time, but implied that this was dangerous and 25 per cent a safer margin.[22] Store credit was expensive and it contributed to the speculative nature of southern economy; without it, however, the farming population would have been unable to obtain many of the most common necessities.

The poorly developed state of banking, currency, and exchange added to the obligations which the storekeeper had to perform for his customers and for his own best interests. In many sections banks were virtually nonexistent, and the store had to assume the simplest of banking duties. The most pleasant of these undoubtedly was accepting money for safekeeping since many stores had fireproof vaults for the protection of valuables. Money deposited by customers for this purpose could be used by the storekeeper until needed by the owner. Unfortunately, however, the farmer with a surplus of cash was the exception to the general rule, and most were in search of cash rather than a place for its safekeeping. Country stores advanced cash for taxes, doctor bills, and for emergencies such as the purchase of tickets for the farmer's family when a circus was in town. Since the storekeeper was generally pushed to meet his wholesale bills he limited cash advances to customers to very small sums; that he made such advances at all in view of his own extended obligations, however, indicates the pressure for cash resources in rural communities.

Where banks existed their note circulation frequently was below par. In 1842, for instance, banks were still suffering from the effects of the Panic of 1837, and the Baton Rouge paper in April reported notes of various New Orleans banks at a 20 to 50 per cent discount, Alabama bank notes were 12 to 13 per cent off, Illinois notes were 55 to 65 per cent off, and only Kentucky and Indiana bank notes were at a premium among those put out by western and southern states.[23] Since Louisiana stores were

[21] Statement included in comment on store of Burgess and Lanoue, Baton Rouge *Weekly Comet*, Oct. 29, 1854.

[22] Article from Philadelphia *Ledger* reprinted in Savannah *Daily Georgian*, Dec. 19, 1854.

[23] Baton Rouge *Gazette*, April 2, 1842.

likely to receive notes of various states in the course of trade it was necessary to know their actual value or suffer heavy losses from taking depreciated notes at par. Here the storekeeper served as a regulatory factor in his own community when banks were absent by constantly checking to determine the actual value of paper money which entered his trade area.

The problem of a depreciated currency was aggravated by the custom of figuring money in different ways in various states. In 1844 a New York visitor to the South was much astounded by the variations which he observed between North and South, and even within the South itself. In New York, said he, people figured in shillings and sixpences, in New England in ninepences and fourpences, in Pennsylvania by eleven-penny bits, in Georgia by "thrips" and sevenpences, in Alabama by dimes and half dimes, in Florida by bits and half bits, in Mississippi by picayunes, and so on.[24] The system could be worked out: ninepence in New England, the New York shilling, elevenpence in Pennsylvania, sevenpence in Georgia, and a Florida bit all represented approximately twelve and one-half cents.[25] Here again the storekeeper occupied a position as exchange agent for those who were confused by variations in nomenclature and also in assessing the value of the numerous substitutes which appeared in the absence of sufficient small coins for the proper conduct of trade.

Still more of a problem for the storekeeper was the necessity of transferring funds from his own to other communities. Since he frequently bought his merchandise from southern coastal cities or in eastern wholesale markets he ultimately had to make remittances to these. Likewise, his customers expected him to handle their remittance problems. Even so simple a modern-day problem as ordering a paper or magazine from a distant state and transmitting payment for it created real difficulties for the southern farmer in the ante-bellum period. The mails were notoriously unsafe for the transmission of money and, even if the farmer sent bank notes, he was seldom sure of their value in distant states. Registration of letters did not appear until 1855, and

[24] Lester B. Shippee (ed.), *Bishop Whipple's Southern Diary, 1843–44* (Minneapolis, 1937), 82.

[25] An interesting and thorough exposition of the history of American fractional currency is contained in Neil Carothers, *Fractional Money, A History of the Small Coins and Fractional Paper Currency of the United States* (New York, 1930).

the first postal money order was not sold until 1864.[26] Railway express served only a limited part of the South before the Civil War.

In solving his own and customer problems of transferring credit under such conditions the storekeeper employed a number of expedients. The most common and most important of all these was the shipment of farm crops to coastal cities for sale or transmission to still-more-distant markets. Where more liquid remittances were required the storekeeper often purchased exchange, if the amount to be transferred justified this. Smaller sums were frequently transferred by placing them in the hands of travelers. If the mails had to be used it was a common practice to cut bills in halves and send the parts by separate mails in order to spread the risk.

Since so much of the stock of country and interior stores had to be sold on long-term credit, the storekeeper himself had to seek the most favorable credit terms available in wholesale markets. He needed twelve months in which to pay for his stock if he was to continue to grant the generous but none the less necessary extension of time to his customers. While some factorage credit was passed on to farmers and small planters through country and interior stores in the form of provisions, bagging, rope, and even cash, the greatest volume of credit advance was in the form of store goods. Here the factor played virtually no part, the wholesalers and importers in the larger American cities carrying the debt burden occasioned by the common and necessary pattern of operation followed by southern country stores.

In the first quarter of the nineteenth century wholesalers granted a full twelve months to country merchants in which to pay for goods purchased on credit. In the 1840's and 50's there was a marked tendency to reduce this to six months, but even then storekeepers could take a full year for making remittances by giving a note and paying interest to the wholesaler for the last six months of the period.[27] Such obligations were secured in the last analysis by the crops of all the farmers and small planters involved in the system. This became very evident in the hard times following the Panic of 1837. When the Panic first hit, store-

[26] Alvin F. Harlow, *Old Post Bags* (New York, 1928), 432–33.
[27] See Chap. VI for a full discussion of this.

keepers asked wholesalers for an extension of time in which to meet their bills, hoping that conditions would improve shortly and enable them to weather the storm. This and other expedients proved inadequate to meet the situation. In the end, stores which managed to survive the economic catastrophe demanded notes from their customers who could not pay at the end of the regular credit period. These were turned over to wholesalers after endorsement by storekeepers. This became the most common means of securing claims. Southern credit in the final analysis depended on farm crops, and storekeepers could do no more than transfer notes of farmers and small planters who had obtained merchandise from them to wholesalers who had originally furnished the goods. If crops were good and market prices satisfactory in the immediate future, the wholesalers obtained their money; if not, there was little else to which they could look for security.

A contemporary source in 1849 estimated that the South had purchased more than $76,000,000 worth of merchandise in New York City alone during that year. In 1859 the estimate was $131,000,000.[28] These figures did not include shipping fees and indirect commissions arising from the handling of southern business. They represented only the outright purchase of goods. Part of this merchandise of course found its way into the hands of large planters and was moved through factorage channels. Much of it was purchased in New York City by country and interior storekeepers who made personal trips in order to supervise directly all the stages of acquiring the yearly supply of goods. Recognition has been given to the factorage system for its extension of credit facilities to the planter; a similar recognition is deserved by the storekeeper for his extension of store credit to farmers and small planters. The latter operated for a full twelve months on provisions, dry goods, and tools furnished on a credit basis from the larger wholesale centers through the channels of the country and interior stores.

While generous credit was necessary to the successful operation of a store, reasonable prices were virtually as essential. Thus

[28] *Journal of Commerce*, Dec. 12, 1849 and Oct. 25, 1850; Stephen Colwell, *The Five Cotton States and New York* (New York, 1861), 23. Both citations are from Philip S. Foner, *Business and Slavery, The New York Merchants and the Irrepressible Conflict* (Chapel Hill, 1941), 7.

price and credit policies largely governed the success achieved by wholesale markets in competition for the southern country and interior trade. In general there was a growing tendency for eastern wholesale markets to increase their stake in southern trade as the Civil War approached. In 1829 a local Louisiana paper, for instance, claimed that half the goods sold by Attakapas Parish storekeepers came from New York and Philadelphia, and prophesied a great increase in this within the next few years. New Orleans was said to have held the lead over eastern cities as a source of supply in the past, but the paper attacked its merchants savagely: "The vexatious exactions of merchants there for paltry advances are too well known to require any comment of ours." New Orleans, said the editor, paid less for crops than could be obtained in the East, and merchants then charged high fees for endorsing bills drawn against these. If eastern merchants would supply more capital, Attakapas storekeepers could handle local crops, ship these east, buy all goods there, and completely eliminate New Orleans from the picture. Higher prices for crops to the eastward, greater supplies of capital with consequently more facilities for trade, and cheaper prices for eastern goods all played a part in leading the local paper to view the growing eastern contacts with favor.[20]

While such prophecies fell far short of realization, eastern influences increased at a pace sufficiently rapid to disturb southern-seaboard wholesalers and those anxious for the South to build its own system for importing English and European goods. This situation and the immediate effects of the Panic of 1837 gave rise to a series of southern commercial conventions which had as their avowed purpose the revival of direct trade with Europe. The Augusta convention in April, 1838, drew up an address to the people of the South warning against the evils of relying on eastern cities for supplies:

> The Northern merchant has come hither and bought from the Southern planter produce of equal value, abating from the price, all the expenses, direct and incidental, of transportation— He has insured them in Northern offices, and shipped them abroad in his own vessels— Exchanged them at a small profit for foreign merchandise—brought it home—paid one-fourth its value to the Govern-

[20] St. Martinsville *Gazette*, reprinted in Baton Rouge *Gazette*, Oct. 24, 1829.

ment—added that amount and all the expenses of importation, and fifteen to twenty per cent for his profits, to the price, and exposed it for sale. The Southern merchant has now gone to him; lingered the summer through with him at a heavy expense—bought a portion of these goods, reshipped them in Northern vessels to Southern ports—added twenty-five per cent more to the price to cover his expenses and profits—and sold them to the Southern planter. All the disbursements made in this process, save such as are made abroad, are made among Northern men; all the profits, save the Southern merchant's, are made by Northern men; and the Southern planter, who supplies nearly all the foreign goods of the country, gets his portion of them burdened with every expense that the Government, merchant, insurer, seaman, wharfinger, drayman, boatman, and wagoner can pile upon them. His burdens of course, are needlessly increased, by the amount of the expenses incurred in landing the goods at Northern ports, and bringing them thence to Southern markets. Every item in the endless catalogue of charges, except the government dues, may be considered a voluntary tribute from the citizens of the South to their brethern of the North; for they would all have gone to our own people, had we done our own exporting and importing.[30]

Other cities also held conventions devoted to the crusade for direct trade with Europe, and these attempted to convert state legislatures and the public to their plans. With returning prosperity for the South in the 1840's the organized movement declined, but the idea never disappeared and was to undergo a revival as southern hostility toward the North increased on the eve of the Civil War. Since northern trade connections had continued to flourish, southern nationalists in the 1850's could reiterate and expand the arguments of the earlier conventions. Hinton R. Helper, for instance, castigated southern merchants for patronizing the North, and condemned the general economic subservience of the South:

In one way or another we are more or less subservient to the North every day of our lives. In infancy we are swaddled in Northern muslin; in childhood we are humored with Northern gewgaws; in youth we are instructed out of Northern books; at the age of

30 *Minutes of the Proceedings of the Second Convention of Merchants and Others, held in Augusta, Georgia, April 2d, 1838: With an Address to the People of the Southern and South-Western States, relative to the establishment of a Direct Export and Import Trade with Foreign Countries* (Augusta, 1838), 33.

maturity we sow our "wild oats" on Northern soil; in middle-life we exhaust our wealth, energies and talents in the dishonorable vocation of entailing our dependence on our children and on our children's children, and, to the neglect of our own interests and the interests of those around us, in giving aid and succor to every department of Northern power; in the decline of life we remedy our eye-sight with Northern spectacles, and support our infirmities with Northern canes; in old age we are drugged with Northern physic; and, finally, when we die, our inanimate bodies, shrouded in Northern cambric, are stretched upon the bier, borne to the grave in a Northern carriage, entombed with a Northern spade, and memorized with a Northern slab! [31]

Here has been the riddle of southern life from the colonial period to the present. Northern and central colonies began to lessen their reliance on outside capital after the colonial period, but the South has continued to look to outside sources for much of its capital supply. Tradition, ignorance, indifference to business, the presence of the Negro, and other popular answers are insufficient to explain this. Nor is it wise to assume that the South has deliberately or inadvertently chosen an uneconomic way of life throughout its existence. The troubles of cotton economy in the twentieth century and the paucity of capital within the South itself after so long a period of commercial, capitalistic agriculture makes such an assumption appealing. Simply because an economic system ceased to be profitable, however, is no proof that it was always unsound. After the effects of the Panic of 1837 disappeared in both North and South the prices of southern staples improved greatly. Planters and farmers once more were convinced that they were making money. They received generous credit from the storekeeper and he in turn obtained this to a great extent from the North.

Even though the Panic of 1837 was nation-wide and not peculiar to the South alone, businessmen in that section examined the existing economic structure in the hopes of improvement. They recognized the growing supremacy of the North in the credit field and suggested programs for curbing this. Direct importation of goods and the building of a southern commercial structure

[31] Hinton R. Helper, *The Impending Crisis of the South: How to Meet It* (New York, 1860), 27, 370.

independent of outside support received added impetus from the nationalistic sentiments which the abolitionist crusade aroused within the South.

Southern wholesale centers had certain advantages which prevented the northern cities from gaining a monopoly of southern trade. Transportation and communication kept market information so limited in the ante-bellum period that storekeepers disliked to purchase goods from distant markets unless they could examine these in person. Operators of small southern stores were thus inclined to purchase goods from near-by markets. Even the larger storekeepers who made semiannual journeys to eastern markets had to purchase emergency orders in southern wholesale centers when goods ran short since only a considerable volume of purchases would offset the added expense of personal visits to distant eastern markets. Groceries, which meant primarily sugar and coffee, could generally be purchased at a saving in southern wholesale centers because the South was closer to the source of supply for these. Southern states were inclined to accept their own depreciated bank paper at slightly higher rates than could be had in the East, and this improved the competitive position of the southern wholesaler.

Added to all this was a real effort on the part of certain seaboard cities to improve their trade connections with the interior. Charleston businessmen, for instance, invested heavily in internal improvements such as railroads, advertised widely in country papers, fostered commercial conventions to discuss southern needs, and capitalized on the growing sentiment of nationalism within the South as a means of attracting trade away from northern centers.

In spite of this the northern cities continued to increase their share in southern trade. The records of southern country and interior merchants show that they considered the northern markets superior both in credit terms and price. Direct importation of foreign goods, the concentration of native manufactures in the northern section, the auction system of disposing of foreign and domestic wares, the wider variety of services available in eastern markets, aggressive trade policies, cheap prices and easy credit—all of these were evident factors in drawing southern storekeepers away from their own wholesale markets.

While northern business was building this supremacy to the point where southern country and interior storekeepers came more and more to recognize it in their business records and dealings, the southern farmer and planter continued to invest his surplus in agricultural expansion. The southern commercial conventions asked him to divert part of his capital to the support of trade, and the virtues of diversification were frequently mentioned in the papers. Thus his choice in the matter was not made without an awareness of possible alternative investments.

The records of the ante-bellum period clearly indicate that the South did not accept its economic life without critically examining it. Perhaps after all the South followed an expanding type of commercial, capitalistic agriculture in the half century preceding the Civil War largely because of the principle of comparative advantage.

CHAPTER FOUR

The Store as a Source of Goods

STORE BUILDINGS AND STOCKS OF MERCHANDISE REFLECTED the rural, agrarian civilization of which they were a part. Regional diversity and the presence of a frontier, however, prevented common standardization, so that there was no such thing as a typical southern store, even at any one time within the period but rather city, country, frontier, and mountain stores, each adjusted to the peculiar social and economic structure of its trade area.[1]

The first store buildings in any type of locality were likely to be both inexpensive and modest in appearance. John Coffee, a business associate of Andrew Jackson, erected and equipped a store building at Haysborough, Tennessee, in 1802 at a cost of less than $500.[2] Similarly, a few years later, when Montgomery, Alabama, was just getting under way, its stores made no pretensions to grandeur. Although each boasted a hitching rack at the front door for the convenience of farmers, warehouses were lacking, and the small bags of cotton accepted in trade were simply stored in the back yards until enough had been collected to justify shipment.[3] Log cabins served for stores as well as houses

[1] Large planters sometimes maintained stores for their slaves and any white help which they might employ. Such an arrangement kept slaves out of town by giving them an opportunity to dispose of surplus produce of their own at home. These have not been considered in the present study. Godfrey Barnsley's Ledger, 1859–63 for a plantation near Adairsville, Georgia, gives a good picture of the operation of such a store. This Ledger is in the private possession of Professor E. M. Coulter, University of Georgia, Athens.

[2] Account of Andrew and Tatum with John Coffee in 1802, John Coffee Papers, Tennessee Historical Society, Nashville. The carpenter bill was $247.95¾, but included installation of a complete system of counters, shelves, drawers, racks, and locks.

[3] Robertson, *Recollections of the Early Settlers of Montgomery County,* 10. See also Clanton W. Williams, "Early Ante-Bellum Montgomery: A Black Belt Constituency," *Journal of Southern History,* VII (1941), 494–525.

everywhere in the South as new country was opened, and many apparently lacked even the equipment which Coffee had considered essential.

In many places these simple arrangements rapidly gave way to much more elaborate establishments. Within twenty years of its founding Montgomery possessed several business buildings valued at $6,000 or better.[4] Rents now totaled more in a year for some stores than it had cost twenty years previously to erect general-store buildings. In less than another twenty years Montgomery business lots were selling at $2,000 to $8,000 and commercial buildings for as high as $90,000.[5] Memphis and Atlanta demonstrated the same rapid development. Neither got under way until the second quarter of the nineteenth century, and yet a new merchant at Memphis in 1843 expected to pay between $800 and $900 a year for the rent on a suitable building.[6] Similarly, two young merchants at Atlanta in 1858 valued their warehouse at $7,000 and believed that they could rent it for $1,500 a year.[7]

Many other places in the 1850's remained in approximately the same state of development which they had displayed a half century before. The Grasty family, for instance, operated stores in the early 1800's at Stony Hill and then Mount Airy in Pittsylvania County, Virginia. In 1839 a son of the founder of the business rented one of the store buildings from his father's estate for $70 a year.[8] Other country stores in the same locality were similarly inexpensive. Grasty purchased a country trading post near his own establishment in 1842 for $600, obtaining for this the storehouse and lot, a kitchen, smokehouse, stable, cow stable, corn and hen houses, and one-half acre of land.[9] Here little or no change seems to have occurred in rents or value of store buildings during the course of half a century.

Certain features do stand out in the midst of this diversity in

[4] See estimate of value of a store in letter of Caleb Tyler to Weed and Little, Nov. 1, 1838, Crommelin Papers, Alabama Dept. of Archives and History, Montgomery.

[5] List of real estate sales in Montgomery *Weekly Advertiser,* April 11, 1860.

[6] Letters Feb. 22 and April 15, 1843, Lenoir Papers, 1798–1867, Lawson McGhee Library, Knoxville.

[7] Letter March 26, 1858, Welcker Papers, 1803–1880, Lawson McGhee Library, Knoxville.

[8] Contract, Jan. 1, 1840, William C. Grasty and John F. Rison Papers, 1800–1869, Duke University Library, Durham.

[9] Articles of agreement, Feb. 1, 1842, *ibid.*

value and construction of stores. In new areas they generally consisted of logs and were crudely equipped. From this a change to brick structures rapidly occurred if business created a settlement of any size at all. Papers all over the South mentioned two-story brick buildings in very small villages, a transformation hastened by the cheaper insurance rates on goods housed in such structures.[10] Such buildings were not uncommon by the 1820's. In many cases the second story was fitted out with fireplaces and other accessories, and offered to professional men for offices or even as living quarters to individuals or families.[11] The rent on this extra space occasionally was collected through the tenant helping in the store during rush hours, or even by a contract with some doctor to provide medical care to the storekeeper's family in return for office space.

In the 1840's and 50's storekeepers became increasingly aware of what might be accomplished in a functional way in store architecture. In towns like Baton Rouge proprietors were learning the advantage of bay display windows where attractively arranged goods drew the attention of people passing in the street. Jewelry stores even improved on the idea by employing clock

10 A merchant at New Bern, North Carolina, in 1835 paid the New York Equitable Insurance Company $122.50 for a $3,500 policy on his store goods and furniture which were housed in wooden buildings. Policy dated June 27, 1834, Bryan Papers, 1704–1929. University of North Carolina Library, Chapel Hill. Disastrous conflagrations were reported in papers year after year. In 1829 Camden, South Carolina, merchants suffered a loss of between $150,000 and $200,000 from fire. Only some $20,000 in insurance covered the loss. See Camden *Journal*, Nov. 28, 1829. Book accounts and cash on hand frequently were lost in fires. See, for example, reports of such losses in Opelousas *Courier*, May 5, 1855; Huntsville *Democrat*, May 4, 1843; Baton Rouge *Gazette*, March 22, 1845. Cheaper insurance rates on brick structures and the protection obtained from fireproof safes made both popular. See advertisement of Gayler's Safes and Money Chests in Mobile *Commercial Register and Patriot for the Country*, March 5, 1832, and discussion of the Delano safe in Mobile *Commercial Register*, March 20, 1828. William Dearing's store at Athens, Georgia, in 1845 escaped serious loss from thievery when his safe could not be opened by the robbers, Athens (Ga.) *Southern Banner*, Dec. 23, 1845. The extent to which storekeepers owned safes varied widely. The Grastys never seem to have owned a safe during their half century of operation around Mount Airy, Virginia, although they purchased one as soon as they transferred activities to Danville. See purchase dated Dec. 15, 1857, William C. Grasty and John F. Rison Papers. On the other hand, John Barnard bought a safe for $90.60 in New Orleans shortly after acquiring his Jeanerette, Louisiana, store in 1852. See entry, p. 20, John Barnard Journal, 1852–53, William T. and George D. Palfrey Manuscript Collection.

11 Advertisement of Bradford and Lowe, Huntsville *Alabama Republican*, Oct. 6, 1820.

mechanisms to revolve merchandise in display windows.[12] Nonetheless, the size of the building remained the most attractive feature for the majority of storekeepers, if one can judge from advertisements. Many mentioned their large two- and three-story brick structures, even including measurements in order to emphasize the quantity of goods to be found within. Two-story, brick, rectangular stores, with very plain exteriors, thus succeeded their log cabin or weatherboarded predecessors throughout the South long before the Civil War as the type dearest to the heart of storekeepers and were destined to retain that hold for years to come.

In keeping with the long hours worked in all occupations in the ante-bellum period and the additional tendency of the rural population to ignore any attempts to maintain stated hours, country and interior stores seem to have remained open virtually twenty-four hours of the day. Clerks opened the doors early in the morning before the owner arrived and continued on duty frequently until nine or ten at night. Some, like Nunnally and Company at Yazoo City, Mississippi, in 1851, advertised that they would keep their stores open at night to accommodate customers who found it inconvenient to call during the day.[13] Business perhaps slackened in the evening, but a clerk who had been on duty since early morning, if such a one were present, probably enjoyed the evening conversation at a Caledonia, Tennessee, store in 1852 much less than the one who reported it. A traveling daguerreotyper reached the town on June 12 in time for supper. After eating he went down to the store of Manly and Alexander about eight o'clock, and there found Green Manly entertaining with his characteristically dry remarks. Manly was accusing his audience of teaching children from the beginning to cheapen goods and to "jew" local merchants.[14] Obviously the

[12] See reference to Goldmann's jewelry store in Baton Rouge *Weekly Gazette and Comet*, Sept. 6, 1857; reference to George Herroman's store in Baton Rouge *Daily Comet*, May 16, 1853; and discussion of store architecture by editor in *Weekly Gazette and Comet*, Nov. 12, 1857.

[13] *Democrat*, Nov. 5, 1851.

[14] Mary Daggett Lake (ed.), "Diary of the Travels of William G. Randle, Daguerreotypist of Henry County, Tennessee, 1852," *Tennessee Historical Magazine*, IX (1925), 195–208. Long hours were universal in retail stores all over the country, although agitation against these developed in the 1850's. See article from Boston *Herald* entitled "The Early Closing of Stores," reprinted in *Hunt's Merchants' Magazine*, XXXVII (July, 1857), 131–32. Similar objection to long hours was voiced

evening was being given over to loafing, conversation, and, for the daguerreotyper, to a search for prospective customers.

The still-popular American habit of going to town on Saturday seems to have been well established before the Civil War. B. F. Riley has described the old crossroads grocery, or combination saloon and store as it would be called today, as reaching certain holiday peaks in its ever interesting life. Always a rendezvous of young countrymen, these gathering places obtained additional accessions on Saturday nights, and drinking, yelling, and brawling surpassed the common weekly efforts along those lines.[15] More sedate citizens found Saturday to be a natural shopping day in preparation for Sabbath rest and worship. Saturday did not, of course, lead all other days in the week with regularity, as bad weather could easily ruin sales, or the appearance of a customer from a distance on another day to purchase supplies for a long period of time could overbalance the normal business increase expected at the weekend. Occasionally business records will reveal no difference whatever in favor of Saturday buying, but it is clear that the practice was widely recognized in the antebellum South.[16]

Sunday purchases received no such acclaim. Strong sentiment existed against working on the Sabbath, even some railroads finding it necessary to stop all trains on that day as late as 1859.[17] Colonial statutes against desecrating the Lord's Day were carried over into the nineteenth century in some of the southern states, and all, with the exception of Louisiana, seem to have provided

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in a letter signed "clerk" in the Savannah *Daily Morning News,* June 10, 1857. This same paper on February 17, 1860, endorsed a local movement to close stores at five in the afternoon. Clerks in country stores did not receive relief, however, until the twentieth century.

[15] B. F. Riley, *Makers and Romance of Alabama History* (Birmingham, 1915), 584–88.

[16] An analysis of daily sales at a Mount Pleasant, Georgia, store for nine weeks beginning October 15, 1821, indicates that Saturday sales were highest for four of the nine weeks, and second high in three more. This day book covers the years 1821–22 of an unidentified Mount Pleasant storekeeper, and is in the private possession of Professor E. M. Coulter. See also emphasis on Saturday and muster days in microfilm copy of Joseph Anderson Diary, 1839–1843, Vanderbilt University Library, Nashville; also in George W. F. Harper Diary, March and April, 1846, entry Saturday, April 14, 1846, George W. F. Harper Papers, 1838–1921, University of North Carolina Library, Chapel Hill.

[17] See Montgomery *Advertiser,* Feb. 16, 1859, for advertisement announcing suspension of Sunday trains and editorial comment favorable to this.

legal punishment for opening stores on the Sabbath.[18] Since farmers and small planters easily could have purchased their merchandise on other days of the week, there was no real necessity for remaining open on the Sabbath to accommodate them.

Nonetheless, in spite of religious scruples, considerable business was transacted on Sunday. Louisiana, perhaps because of the large Catholic population and a tradition of Sabbath recreation, witnessed the least objection to this. Indeed, a Franklin paper in 1850 asserted that more goods were sold in the parish of St. Mary on Sunday than on any other day of the week.[19] Rural, Protestant communities were less inclined to support the practice, but the records of Sunday sales in business books all over the South lend much support to the comment of one northern visitor in 1844 that to a great extent Sunday was considered a business day the same as any other, even though many places did observe it.[20]

Even in Louisiana considerable support developed for closing stores on Sunday as a means of giving businessmen and clerks a day of rest.[21] In Alabama, Montgomery citizens seem to have objected at various times to the annoyance given to churchgoers who had to pass downtown business establishments thronged on Sunday mornings with lounging, drinking, fighting groups of Negroes.[22]

Replies to such objections were most vitriolic in Louisiana, where it was occasionally charged that they arose from fanatics who would compel Jews and gentiles alike to conform to minority sentiments. There and elsewhere it was claimed that day laborers, Negro slaves, and Mississippi River boatmen, who might arrive at some river town on Sunday without supplies, all needed the opportunity to purchase goods on Sunday morning. Even Montgomery churchgoers who objected to Sabbath sales occasionally suggested that stores be allowed to remain open until ten on

18 See Oliver H. Prince, *A Digest of the Laws of the State of Georgia* (Milledgeville, 1822), for a continuation of the colonial statute of March 4, 1762, against desecration of the Sabbath.

19 *Planters' Banner*, Jan. 24, 1850.

20 Shippee (ed.), *Bishop Whipple's Southern Diary*, 91.

21 Baton Rouge *Gazette*, April 19 and May 10, 1845; *Planters' Banner*, Jan. 24, 1850.

22 Letter of "A Friend to Order and Humanity," Montgomery *Republican*, Jan. 12, 1822; letter of "Lover of Order," *Advertiser and State Gazette*, Aug. 21, 1850.

Sunday morning in order to care for legitimate needs of Negro slaves.[23] Loafers who enjoyed the opportunity to meet with cronies on Sunday added to the tendency to ignore regulations against remaining open.[24]

Court week and muster day were widely recognized as good business periods since they attracted large numbers of people.[25] Circus day invariably brought an increase in sales. Business generally was good around the Christmas season, quite apart from any holiday business, as crops were being moved to market, but the Christmas trade itself was valuable. A Tennessee clerk in 1839 recorded in his diary the presence of a good many people in town on Christmas Eve, although these had come apparently for liquid refreshments, of which the clerk did not approve, and sales of presents were small. On Christmas morning, however, a number of customers purchased holiday gifts.[26]

Children's toys occasionally were mentioned in Christmas advertisements, as well as firecrackers. This popular southern custom had brought out letters of objection because of the dangers of fire as early as 1834.[27] Toilet articles and gift books were favored for older people.[28] Myers' Store at Salisbury, North Carolina in December, 1856, even held an auction for ladies only. Dry goods, needlework, and fancy articles, such as toilet bottles, which would be suitable for Christmas and New Year presents were listed among the items for disposal.[29]

Merchants as a rule, however, did little advertising directed at this special trade since they purchased supplies in the fall and spring months largely, and found transportation problems too difficult to enable them to adjust easily to sales on other than long-seasonal periods of time.

[23] Such arguments were suggested in the newspaper articles cited in footnotes 21 and 22, *supra*.

[24] William Dickson in his Diary, 1837–52, for instance, frequently recorded that he spent Sunday at the near-by King's Mountain store-post-office establishment, William Dickson Papers, 1768–1914, University of North Carolina Library, Chapel Hill.

[25] Microfilm copy of Joseph Anderson Diary; account of loss of rifle in store of Michael Brown on muster day, Salisbury *Western Carolinian*, Nov. 1, 1838.

[26] Microfilm copy of Joseph Anderson Diary.

[27] Advertisement of Musselman in Baton Rouge *Gazette*, Dec. 20, 1851; also letter signed "Anti-Conflagration," *Western Carolinian*, Nov. 15, 1834.

[28] Advertisement of Berry and Tannehill, Nashville *Whig*, Jan. 6, 1840, first insertion made Dec. 23, 1839.

[29] *Carolina Watchman*, Dec. 16, 1856.

As in other occupations, storekeepers had their patience tried in various ways by waiting on the public. Although no complaints seem to have survived, clerks must have been irritated by the common practice of sending slaves and children to stores with vague directions on slips of paper for the purchase of minor amounts of goods. The Grasty papers from Mount Airy, Virginia, contain hundreds of these covering approximately half a century, and occasionally an applicant apologized for the trouble involved. On April 9, 1805, Philip Grasty received one of these from a Mr. Buckley, reading as follows: "Sir I don't intend to ware out your patience but pleas to send a pint of rum." [30] Stores of a good many years' standing occasionally advertised that they had abandoned the custom of cutting off samples of goods, sending articles out for examination, or exchanging merchandise after it had been purchased and removed from the building.[31] The editor of the Baton Rouge paper in 1857 wrote an article of a humorous nature on how gentlemen no longer minded their business. His inspiration came from new signs in the local confectionary of F. W. Mussulman, reading "Gentlemen will Please Keep their Fingers out of the Candy Jars." [32]

There was compensation, however, in the leisurely pace of business in bad weather and dull seasons, in the social life associated with the store, and, for the young man, in the visits of attractive women. The Grenada, Mississippi, paper in 1840 carried the story of a visit of a young and pretty lass to a store where a young man who had long been enamored of her charms without declaring himself was clerking. In order to prolong her visit as much as possible she objected to the price of every item shown to her, and at last said, "I believe you think I am cheating you." To which the clerk replied, "Oh no, to me you are always *fair*." "Well," whispered the young lady, blushing, "I would not stay so long bargaining, if you were not so *dear*." [33]

Storekeepers, too, enjoyed the satisfaction of introducing their customers to new inventions and new products which added to

[30] William C. Grasty and John F. Rison Papers.

[31] Advertisement of J. and W. Murphy of Salisbury, North Carolina, *Western Carolinian*, May 7, 1841; Advertisement of S. V. Henarie of Alexandria in *Louisiana Democrat*, July 13, 1859. In both cases the firms had been in business a number of years.

[32] *Weekly Gazette and Comet*, Jan. 18, 1857.

[33] Grenada (Miss.) *Southern Reporter*, Jan. 2, 1840.

the charm already created by the display of a multitude of items from distant markets. James S. Lamar, who lived in Gwinnett County, Georgia, as a boy, told how he enjoyed going to town from his upcountry Georgia home with his grandfather. On one occasion the latter was sitting in front of a fireplace at a store during the summer season and missed his usual method of lighting his pipe. The proprietor willingly acceded to his request to obtain some fire to start it going. He drew from his pocket a stick of wood, put it between two small papers which he was holding in his hand, jerked the stick out, and one end was lighted! The youngster thus saw his first matches, which were not to come into general use in his section of the state for several years after the incident.[34]

In regions of scattered population or low purchasing power storekeepers had to carry a general range of merchandise as partial compensation for the limited extent of the market. Visitors from more prosperous regions who were accustomed to lavish mercantile displays were generally astounded at what appeared to be a meager stock of goods and frequently accounted for this in terms of shiftless habits on the part of the storekeeper. Descriptions of such stores seem to outnumber all other types in travel accounts and novels. Edmund Kirke thus pictured "Tom's Store" near New Bern, North Carolina, around the 1840's in a most unfavorable light. The building had been constructed of pine slabs, with the interior divided into two apartments, each twenty feet in dimension. In one Tom kept a limited supply of dry goods, groceries, fish hooks, log chains, goose yokes, tin pans, cut nails, and jew's-harps. The other contained a supply of "blue ruin," "bust head," "red up," "tangle-foot," "devil's eye," and "rifle-whiskey," retailing for a bit a glass or four bits for all that one might wish to consume.

Kirke pictured the proprietor of this combination groggery and store as "a stout, bloated specimen of humanity, with a red, pimpled face, a long grizzly beard, small inflamed eyes, and a nose that might have been mistaken for a peeled beet." Much of his time was spent in patronizing his own groggery and in boasting of his knowledge of advanced business methods. At the time of

[34] James S. Lamar, *Recollections of Pioneer Days in Georgia* (Washington, D. C., 1916), 8–9.

Kirke's visit a turkey-shooting match was in progress in front of the establishment, and the groggery was doing far more business than the strictly mercantile side. In the latter, the visitor saw a lazy, yellow boy stretched full length on the counter which separated customers from the rows of half-filled shelves ranging along three sides of the room.[35]

Such pictures were based on actual fact, but a far more representative impression of stocks of merchandise and of storekeepers will be gained by an examination of newspaper advertising and of business records. Here one will be impressed at the range and richness of items which passed across the counters of even small country stores, where with no more than $1,500 worth of goods a proprietor managed to supply a wide variety of wants.

In contrast to the character and business habits assigned to "Tom" in Kirke's sketch can be placed the career of the Grastys, who followed the occupation of country storekeeper in Pittsylvania County, Virginia for a half century. Philip C. Grasty, the father, opened a store with a senior partner at Stony Hill in 1800, but moved to Mount Airy in a short while and continued his establishment there until his death in 1827. It was a small, general country store which carried every type of merchandise. Grasty acted as a substitute for banks by loaning his customers small sums of money, accepted tobacco crops in barter for goods, was local postmaster, kept a stud horse at times, and operated a blacksmith shop. Each year he renewed his tavern license so that he could dispense liquor to his customers.

His son took over the Mount Airy store in 1838, before he was yet 21, the establishment having been operated by others in the interval since the father's death. He continued to follow much the same pattern as his father. Customers continued to receive the same small loans of money, and occasionally an affluent one left money on deposit at the store. Wheat and tobacco were bartered for goods. The post office continued as an adjunct of the mercantile establishment. Grasty held such local offices as justice of the peace, and school commissioner, and acquired the military

[35] Edmund Kirke, *My Southern Friends* (New York, 1863), 48–50. Kirke wrote his book as an attack on slavery, but his material indicated an acquaintance with southern mercantile methods. Frederick L. Olmsted gave equally unflattering descriptions of southern stores which he saw on his travels in the 1850's. See *The Cotton Kingdom,* II, 1–2, 164–65, 296.

titles of captain and later colonel. Probably the limited extent of the local market—the Grasty business grew little if any in the course of a half century—constituted the strongest force in leading Grasty to move, in the early 1850's, to the larger town of Danville, where he seems to have managed a much larger business with reasonable success.[36] The records of this family show that it stood high in local esteem and exerted considerable leadership within the local community.

Furthermore, the Mount Airy store demonstrated the extent to which it was possible to meet a wide variety of community demands with a limited stock of merchandise. When William Grasty took over the Mount Airy store in 1838 he found only $1,397 worth of the goods to his liking, an indication of the small amount of stock on hand at the time. Nonetheless, he obtained a selection of goods sufficiently diversified to meet the common demands of the back-country trade. In the dry-goods line he had bobbinet, lawn, muslin, jaconet, gingham, cambric, pongee, oriental gauze, blue satin, linen, calico, flannel, "oznaburg," "bombazett," silk, velvet, sarcenet, vesting, linsey, and cassimere—to name only a part of the list. Shawls, handkerchiefs, silk and common scarfs, collars, veils, edging, hose, gloves, and suspenders represented an approach to the ready-made-clothing field. Two ladies' cloaks at $7.50 each, another at $6.00, a plain one at $3.75, and one with a cape at $8.00 gave country women some choice in even so limited a stock. School manuals were supplemented by courtesy books so that young men and women might know the proper rules of polite society. Books on military tactics were available for those anxious to advance in the militia, and Aesop's *Fables* and biographies for those who merely wanted to be entertained. Sedatives and other common medicines, hardware, dishes, and harness added to the variety of items which the proprietor had managed to include in his limited quantity of merchandise.[37]

To a visitor's eye, this stock of goods probably would have made a poor impression, but it contained precisely those things which were demanded year after year by the back-country trade.

[36] The records of this family have been preserved in quantity. See William C. Grasty and John F. Rison Papers.

[37] List of items, Sept. 1, 1838, in William Grasty Invoice Book, 1838–42, *ibid.*

The same medicines, books, dry goods, cloaks, and groceries will be found listed in mercantile business books in widely separated parts of the South at any one period, and the stock of country stores often seemed scanty to northern visitors only because they failed to realize that customers were more interested in the accessibility of a wide range of articles than in a wide choice of quality and price in a particular field. Shelves often were only half-filled simply because so many different kinds of articles had to be carried by general stores.

The presence of a substantial middle class in large sections of the South gave many stores an opportunity to supplement their wide range of stock with variety and richness within general categories. Nonetheless, there was a tendency to emphasize the range of stock in advertising throughout the ante-bellum period, with storekeepers listing innumerable items in print so fine as to strain the human eye. J. and R. Maxwell of Tuscaloosa, Alabama, in 1848, for instance, had almost a full-column advertisement of this type, listing everything from "spit pots" and coffee to fine silks and anvils.[38] An occasional storekeeper rebelled against such tiresome procedure and illustrated the extent of his wares by inviting calls from those needing anything from

Thread Lace to Cotton Bagging,
A piece of Tape to a piece of Broadcloth,
Or from a Needle to an Anvil,
Come and see me, and you can find it.[39]

The common, standardized form of advertising which did not begin to lose its overwhelming popularity until the decade of the 1850's is easily found in any issue of a country newspaper for the period. The following advertisement of a Franklin, Louisiana, store in 1854 was typical:

DRY GOODS, GROCERIES, ETC. S. SMITH & SON respectfully invite the attention of the public to their large and extensive stock of NEW GOODS recently received from the Northern markets, which having been selected with particular care for the wants of the community and being purchased for cash, enable us to offer them on very favorable terms.

Our assortment comprises the usual variety (with additions,) of

[38] Tuscaloosa *State Journal and Flag*, May 4, 1848.
[39] Advertisement of John H. Newton in Athens *Southern Banner*, Oct. 1, 1841.

a well stocked Country Store, such as Plantation goods of every description; Staple and Fancy Dry Goods, including a very pretty assortment of ladies' dress goods and dress patterns, Silk Ribbon, Laces, Edging and Insertings, Trimmings, Collars, Undersleeves, Chemisettes, Hosiery, Gloves, and fine shoes; Gentlemen's Clothing and Furnishing Goods, a large stock; Perfumery, Toilet Soap, and a general assortment of fancy articles; Wall Paper, Bordering and fire-board patterns; Hats, Caps, Boots and Shoes, Crockery and Glassware, Hardware, Cutlery, Guns and Pistols, Coopers' and Carpenters' Tools, Hollow Ware, Nails; Hoop, Band and Bar Iron and Steel; Lamp, Lard, Linseed, Neats-foot and Olive Oils; White and Black Lead and other Paints; Litharge, varnish, Putty and Glass. Also—Rice, Pickles, Preserves and Jellies, Lump Sugar, Teas, Coffee, Pepper, Spices, Ginger, Mustard, Saleratus, Soap, Candles, Vinegar, Tobacco and Cigars; Manilla, tarred and cotton Rope; Packing Yarn, Oakum, and Blocks; together with a host of other articles too numerous to mention. Franklin, September 28, 1854.[40]

Although Smith was located in a sugar-producing region, the staple in which factors and their business allies held the most-marked supremacy, his reference to plantation goods was no idle boast. Business papers of sugar planters located near his Franklin store show that they purchased part of their merchandise at his establishment.[41]

[40] *Planters' Banner*, Nov. 2, 1854. This advertisement was crowded into a narrow column less than four inches in length. Announcements of arrival of fall and winter goods and then of spring and summer goods were typical of mercantile policy for most of the period under consideration. The basic purpose of these seems to have been the listing of every type of merchandise on hand. In the 1850's storekeepers began to rely heavily on use of bold type in advertisements. Now they mentioned only very general categories of goods instead of all stock on hand, and attempted to attract attention with nicely spaced announcements set up in a form easily read. General terms for conducting business received a relatively greater share of space than in the older type of business announcement. This newer system of advertising was more in the form of a business card, with name, general type of stock, general terms of business, and location blazoned forth in type of large size. It owed much to improved methods of transportation and greater rapidity of stock turnover which lessened the emphasis on describing a stock that might now move in days instead of six months or more as in the past. Fifty years of advertising procedure was thus beginning to give way rapidly on the eve of the Civil War, but the development came too late to modify to any great extent the characteristic features of ante-bellum merchandising. Advertisements of the newer type can be found in number in the Alexandria *Louisiana Democrat*, July 13, 1859; and Feb. 8, 1860.

[41] Accounts paid by a sugar planter located near Franklin are scattered through the William T. and George D. Palfrey Manuscript Collection. On March

The business papers of Thomas O. Moore, of Rapides Parish, a Louisiana planter in the 1850's, indicate the extent to which such planter patronage of country and interior stores stimulated the carrying of a wide variety of better-grade merchandise. Moore owned three plantations and disposed of his sugar crop through New Orleans factors. In spite of his wealth and connections he transacted considerable business through Alexandria stores. Some $1,200 worth of goods seems to have been obtained from James McCloskey's store in 1856. Purchases were made eight or ten times a month, indicating frequent visits. Linen handkerchiefs at $1.00 each, dry goods, shoes, pocket knives, and matches represented the range of purchases. Moore bought $425 worth of goods from Johnson's drug store in Alexandria in 1857. Included were items such as paint, garden seed, scissors, cook books, a doll, a china tea set, stuffed figs, a meerschaum pipe at $18, fancy china, chairs, novels, cards, pocketbooks, quinine, wax matches, spices, paper, pessaries, castor oil, laudanum, paregoric, toothbrushes, and liniments. Smaller accounts were maintained with other Alexandria merchants at various times in the 1850's. Part of his goods of course came from New Orleans, a bill from one house located there totaling $459.50 for 1857.[42]

Yellowed daybooks and ledgers also testify to the range and variety of goods available in country and interior stores all over the South in the ante-bellum period. A Newnan, Georgia, store which did less than $8,000 worth of business in 1829 sold the following range of items in the course of one month:

Shoes, martingales, wood screws, combs, gin by the drink and in large quantities, tobacco, knives, shears, pepper, thread, cambric, a plaid cloak at $12, homespun, pearl buttons, a fine hat at $7, set of plates, bed ticking, silk handkerchief at $1, calico, copperas, wine, paregoric, brandy, indigo, boots, blankets, toddy, socks, linen, jaconet, muslin, lead and powder, loaf sugar, pair of ladies white

7, 1857, Smith and Son were paid $115.46, and Smith and Hine, a branch store, $345.00, of which $135.11 was labeled plantation supplies. On April 15, 1858, Smith and Hine were paid a store account of $534.95, of which $441.05 constituted plantation expenses and $93.90 family expenses. Other Franklin storekeepers, like William Rabe, the druggist, are mentioned in the accounts, along with records of settlements with factors.

[42] Account opened with James McCloskey on Dec. 6, 1856; cash account with James McCloskey opened May 16, 1857; account with S. K. Johnson opened Jan. 1, 1857; account of Samuel Locke of New Orleans, Jan. 26, 1858, Governor Thomas O. Moore Papers, 1832–1877, Louisiana State University, Baton Rouge.

hose $1.25, pair of ladies silk gloves at seventy-five cents, pair of spectacles at fifty cents, shaving soap, paid a man's taxes and put the cost on his mercantile account, writing paper, hartshorn, needles, vest pattern and goods, salt, blacking, cups and saucers, set of tea spoons at twenty-five cents, alspice, files, pocket wallet, sugar, tooth brush, thimbles, pad locks, turpentine, shaving brush, cravats, bowls, trace chains, candles.[43]

Evidence of this type is available in all mercantile books, but a clearer picture of mercantile stock will be had from an examination of common items in the various classes, with illustrations of when these came into general use.

In the medicinal field little change occurred in the items in demand throughout the period. Every country storekeeper knew that he should have a supply of Bateman's Drops, a cold remedy in use at least by the 1820's and highly popular long after the Civil War period. Smelling salts, with hartshorn perhaps most popular, was in demand for the weaker sex. Opium-based drugs commanded a wide sale from the beginning, paregoric and laudanum being the most common, with "pain killers" in the patent-medicine field available for those who wished to pay more. Opium itself could be purchased without restriction in general stores,[44] and the popularity of sedatives as a whole indicates that the dope habit existed widely under more polite names. Opodeldoc relieved sprains by external application, although more expressive titles, such as Mustang Liniment, must have caused its purchase at higher rates and under the impression that the sufferer would achieve relief in proportion to the money expended. Castor oil and Epsom salts led the field in meeting the wide and continuing demand for purges.

These seem to have been the basic remedies which country stores were expected to carry, and they offer an interesting commentary on health conditions throughout the period. Asafetida to ward off sickness, harsh purgatives to drive it out if it arrived, smelling salts to revive the weak, sedatives to deaden gnawing

[43] Sales of a Newnan, Georgia, store for Dec., 1829, Day Book, 1829–31. Georgia State Dept. of Archives and History, Atlanta.

[44] See inventory of Sept. 1, 1819, of Davis and Preston, Goose Creek, Virginia, Davis and Preston Mercantile Records; also Holland and Booth, Journal B, 1837–40, p. 4 of Hailsford, Va. in A. and T. Holland Business Books, 1803–1869, Duke University Library, Durham.

pain, and liniments to relieve muscular troubles held a position as common necessities along with sugar, salt, and dry goods.

Patent medicines possessed restorative qualities that made them exceedingly popular. Modern psychiatry has not yet achieved the wonders which such concoctions worked in the minds of prospective purchasers from the reading of the accompanying literature. General stores and druggists alike carried these because of the large profits involved. Patent-medicine manufacturers constituted the largest advertisers in the period, and the market was already prepared for a line when the retailer took over. Almanacs, posters, and papers generally accompanied shipments of medicine to aid in the continuance of local sales. Even the retailer must have been stirred by the circulars distributed from Thomas Holloway, of Holloway's Pills and Ointments, in the 1850's. In these, Holloway boasted that he advertised in 1,700 papers in the United States and spent $150,000 a year for that purpose, an estimate supported by a statement from the New York *Tribune*. The concluding sentence of his account of the triumphs achieved by his medicine in Europe and America represented the tone of the whole: "Empires and Kingdoms removed the barriers of ages . . . freely permitted Holloway's medicines to become the physician of the masses." [45] Such wares were generally sold on commission, with the rate of profit running considerably above the average for more-mundane items.[46] Since the cost of manufacture was small, only the ultimate consumer stood a good chance to lose in this particular form of commerce.

In the grocery line, back-country stores sometimes carried only a barrel of sugar, a sack of coffee, several sacks of salt, a barrel of whiskey, and powder and shot. Most country stores carried a much larger line than this at an early date, however. A Huntsville, Alabama, commission house, which served country stores in the surrounding territory as well as farmers and planters, in 1822 advertised loaf and lump sugar, "muscavado" sugar, pine-

[45] Circular in Welcker Papers.

[46] This is illustrated in a contract of Cheatham and Moore, May 3, 1859, with Thomas Carter, Cheatham and Moore Papers, 1803–1867, Duke University Library, Durham. See also circular describing retail plans for Moffatt's Vegetable Life Pills and Phoenix Bitters, Lewis C. Hanes Papers, 1846–1865, University of North Carolina Library, Chapel Hill.

apple cheese, allspice, ginger, pepper, raisins, almonds, nutmegs, mustard, spermaceti candles, sweet oil, tea, and wine.[47]

James White advertised an even longer list at his Huntsville store in 1826, consisting of imperial, gunpowder, and young hyson teas, rice, vermicelli, New York and pineapple cheeses, oysters, figs, prunes, fine table salt in small boxes, tamarinds, East and West India sweetmeats, almonds, pecans, English walnuts, cloves, mackerel, shad, salmon in barrels, Scotch herring, salad oil, and dried fruits.[48] Various flavored syrups and chocolate appeared in small-town announcements by the 1820's, and the cracker barrel at least by 1836.[49] Matches were advertised by 1842,[50] and coal-oil lamps and coal oil were sold in some country stores before the Civil War.[51]

Country people limited their grocery purchases generally to the simplest staples and even here to the cheaper grades. Nonetheless, country stores found some sale for preserves and jellies, and the confectionaries in smaller towns managed to dispose of luxury items in limited quantities. Few southerners were so poor as not to be able to satisfy their curiosity concerning items of the type advertised by a seaboard wholesaler in an Athens, Georgia, paper in 1836:

Canton ginger and Canton chow chow in cases of six pots each; Canton ginger and orange marmalades in glass; Havana preserves in cases of one dozen each in glass jars; limes; pine-apple, orange, citron, hiccacos, grosella, ginger and guava jelly. American preserves—quince, pear, green gage, peach, egg plum, strawberry. Jellies—gooseberry, raspberry, quince, currant, blackberry, grape. London sauces in quart and pint bottles—curry, mushroom, catsup, walnut catsup. Fancy pickles in gallon and half-gallon jars, and in

[47] Advertisement of Estell, Malone and Company, Huntsville *Alabama Republican,* Jan. 18, 1822. As early as 1811 visitors observed loaf sugar in the form of cones and wrapped in thick blue paper suspended from joists of stores in Natchez, Mississippi. Joseph D. Shields, *Natchez: Its Early History* (Louisville, 1930), 154. This was probably a continuance of an older colonial custom wherein the purchaser found the paper an excellent dye agent after the sugar had been consumed.

[48] Huntsville *Democrat,* Feb. 10, 1826.

[49] Advertisement of G. Paysant, Baton Rouge *Gazette,* June 9, 1827; advertisement of Manning and Adams, Huntsville *Democrat,* July 12, 1836.

[50] Advertisement of thirty gross of matches by George Herroman, Baton Rouge *Gazette,* Nov. 19, 1842.

[51] Advertisement of Artemon Hill of New Orleans in Alexandria *Louisiana Democrat,* July 13, 1859.

kegs. Mustard in pots and bottles. Sardines, truffles, Italian maccaroni and vermicelli, capers, olives, anchovies, and chocolate. Brandy in the vintage of 1806. Fruit in whole, half and quarter boxes and kegs—bunch muscatel and bloom raisins; prunes in 10 pound boxes and fancy packages; Smyrna figs in drums; currants, citron, grapes, oranges, lemons, almonds and nuts.[52]

The greatest difference between grocery stocks then and now was in the canned-goods field. Various types of tin cans and of queen's ware, yellow ware, and glass were widely advertised in the 1850's for the preservation of fruits, vegetables, sweetmeats, butter, and eggs.[53] The number of types and the range of advertising indicated a full realization of the need for means of easily preserving fruits and vegetables in their natural states, but not until after the Civil War did this development extend to the preparation of canned items for sale in stores.

Brand names were virtually nonexistent, and manufacturers, with the exception of the patent-medicine field, did not attempt to popularize an item with the public as a means of compelling stores to stock it. Brands were thus absent from the shelves and customers selected goods on the word of the storekeeper or on their own judgment rather than on the guarantee implicit in the names of so many products of today. One of the earliest exceptions to this was Dupont gunpowder, which almost alone among ante-bellum products carried with it a widespread public belief in the quality of any powder retailed under that name.[54] The absence of brand names probably contributed to the unevenness of quality which was prevalent even in items sold under general trade names, such as young hyson tea. This made shopping more of a problem but contributed to the more constant awareness of the necessity of checking price and quality relationships which undoubtedly sharpened consumer judgments. At the same time, grocery stocks did not display the range of items in the modern store in part because of the absence of any

[52] Advertisement of N. Smith and Company, *Southern Banner*, Jan. 7, 1836.

[53] See advertisement of "Ludlow's Infallible Cans," in Natchez *Mississippi Free Trader*, May 10, 1858; of Arthur's self-sealing cans in Montan and Huguet's advertisement in Baton Rouge *Weekly Gazette and Comet*, June 23, 1857; and of glass and queen's ware containers in advertisement of St. John and Grove in Alexandria *Louisiana Democrat*, Sept. 28, 1859.

[54] See advertisement of George Bogs and Company of Nashville, Tennessee, in Nashville *Clarion and Tennessee Gazette*, Jan. 5, 1820.

necessity of carrying ten or fifteen brands of the same staple to satisfy customers made conscious of these by such modern devices as radio and magazine advertising.

Books constituted another item to be found in general stores, and in rural communities this continued to be true at the close of the period. The lists of books in mercantile inventories and recorded sales of these in daybooks have been overlooked by students of American intellectual history in their efforts to determine the reading interests of the great mass of the population. Rural America obtained its books from rural stores except for the limited few who bought in sufficient quantity and often enough to become familiar with the secrets of obtaining such merchandise directly from the publisher. Schoolbooks of course constituted the most common item. William Wightman of Shelbyville, Tennessee, for instance, mentioned these first in an order to New York City in 1818. He requested a dozen Webster's spelling books, and equal quantities of the *Columbia Orator,* dictionaries, readers, geographies, and arithmetics. This part of the order obviously was to supply some local educational institution. Wightman also asked for a dozen copies of Franklin's *Autobiography,* always a popular item in rural stores, three copies of Morse's *American Gazeteer,* and two each of *Rob Roy, Guy Mannering, Waverley,* and *Tales of My Landlord.* Watt's *Psalms, Ossian's Poems,* and Mackenzie's *Man of Feeling* seem to have been familiar to Wightman or in demand locally since he specifically requested copies of these. He also asked for four dozen small novels that could retail for about fifty cents, and one dozen of a more expensive kind, the selection here being left to the house from whom he was ordering.[55]

Davis and Preston who operated a general store at Goose Creek, Virginia, early in the nineteenth century listed three pages of book titles in their 1819 inventory. English and classical poets, English novels, schoolbooks, dictionaries, religious treatises and hymns, family medical books, and histories made up most of their book section.[56] The range of literature and the curious blending of the practical with the theoretical which could be

[55] Letter July 14, 1818, in back of Day Book, 1818–24, John Coffee Collection, Alabama Dept. of Archives and History, Montgomery.

[56] Inventory dated Sept. 1, 1819, Davis and Preston Mercantile Records.

found in the selections of even small country establishments is demonstrated in the inventory of John Bisland at his Cross Creek, North Carolina, store in 1775. His genius in the field of spelling and the ravages which time has worked on his records make it difficult to decipher all the list, but the types can be illustrated by the titles stocked, with the number of each: Guthrie's *Grammar,* 4; Bailie's *Dictionary,* 4; Allan Ramsey's *Songs,* 3; *Truth's Victory over Error,* 6; gilt pocket Bibles, 3; common Bibles, 6; Watt's *Hymns and Psalms,* 12; *Confession of Faith,* 1; *Pilgrim's Progress,* 4; sheepskin pocket Bibles, 6; red-covered New Testaments, 3; "Buchannan" *English Grammar,* 2; quarto Bibles with Apocrypha, 2; dictionary of the Bible, 1; *Marshall on Sanctification,* 2; *Little Histories and Song Books,* 36; *Books of Knowledge,* 4; single *Catechism,* 720; *Mather,* 24; *Almanac,* open at the end, 24; *Almanac,* with brass clasps, 6; *Almanac,* plain, small, with clasps, 24; volumes of the *Spectator,* 2; *Christ's Sudden Appearance to Judgment,* 3; *Duty of Man,* 2; Pope's *Works,* 1; *Young's Night Thoughts,* 2; Doctor Stackhaw's *History of the Bible,* 1; Milton's *Political Works,* 1; *Oredance of the Cresten Relegon,* 1; Buchan's *femely feseehen* (*Family Physician*), 1; *Carnaro on Health and Long Life,* 2; *Young Man's Best Companions,* 1; Robeson's *Ancient History,* 1; *Observations on the Shoeing of Horses,* 2; *Dictionary of Arts and Sciences,* 1; "Crockshank's" *History,* 2; "Ropers" *History,* 1.[57]

Other lists might be cited, but in all a certain uniformity prevailed. Schoolbooks, along with dictionaries and various compendiums of information, generally appeared in the group. A wide range of classical and English literature found its way into the hands of rural people; stores apparently stocked this at times because of bargains offered by some eastern publisher or importer. Nonetheless, Shakespeare, Milton, and Scott, for example, appeared too frequently for them to have been kept before the public simply because some eastern businessman was attempting to unload surplus stock. Books of a very immediate, practical value were popular—books on manners for young men and women, studies of militia tactics, and trade manuals. Religious works, histories of the ancient world and of distant civilizations,

[57] Inventory dated March 3, 1775, Ledger, 1774–1811, John Bisland and Family Collection, 1776–1884, Louisiana State University, Baton Rouge.

and biographies of American leaders, especially Washington and Franklin, enjoyed a constant popularity. The yearly gift books and annuals which decorated the parlor table in middle-class homes of little culture seem not to have been handled to any extent through country stores, perhaps because of their seasonality. Even a perfunctory examination of the sale of books by country stores will dispel the common notion that the average American was exposed only to the Bible and the almanac after he reached maturity. Sales of other items were limited, it is true, but many homes obviously possessed one or more volumes of good literature through having, in a rash of intellectual enthusiasm, purchased these along with the staple items available at the country store.

Although ready-to-wear clothing made only a limited appeal to the ante-bellum woman, leghorn bonnets, which held their popularity throughout the period, were being purchased ready-made as early as 1821 in smaller towns and country stores.[58] Corsets, gloves, shoes, hose, veils, shawls, handkerchiefs, and cloaks were carried by crossroads stores at an early date, and attracted sufficient customers to make them a necessary item of stock in even the smaller general retail establishments. Homespun garments predominated in the dress of the common people, but every woman and girl cherished some bit of finery obtained at the neighboring store. Allen Purvis paid part of his store account at Gallatin, Tennessee, in 1816 in corn meal and corn. Nonetheless, included in his bill were certain luxury items, such as a pair of black silk stockings for his daughter at $4.50.[59]

Women preferred to make their own dresses or to engage a dressmaker, no matter what their station in life. This meant a continued demand for all grades and kinds of dry goods, examples of which have already been mentioned. Milliners, or mantua makers as they often called themselves, were common in both large and small towns. Most seem to have limited themselves to sewing for customers who had obtained their dry goods and patterns at some local store, but others branched out into the dry-goods field with a fair measure of success. A few made trips to larger cities to obtain ready-made hats and fancy goods

[58] Huntsville *Alabama Republican*, May 25, 1821.
[59] Ledger B, 1815–1818, p. 105, of James Robb of Gallatin, Tennessee.

for the local trade, and occasionally one even went abroad for such purposes. Women must have enjoyed dealing with members of their sex, for the practice continued throughout the period.[60]

Ready-made clothing for men was already popular by the opening of the nineteenth century, and interior and country stores must have carried small stocks at an early date. By the 1820's this trade had grown to the point where storekeepers, like the Andrews at Huntsville, Alabama, were beginning to give over the whole second story of general retail establishments to men's ready-to-wear items.[61] Fashionable men's clothing stores and tailoring establishments became common by the 1850's in small interior towns. F. W. Battaile's Fashionable Clothing Emporium at Yazoo City, Mississippi, in 1854 carried a full line of fall and winter ready-made clothing which had just been imported from the eastern cities. Battaile was paying Ethan Thompson, recently arrived from New York, what was then an extravagant salary of $1,000 a year to act as salesman and also to supervise the making of suits for those who preferred the older system.[62] Thompson's presence in the store was played up in local advertising to convince young men that they could obtain the latest and most expert advice on current fashions.

Such stores carried ready-made coats, pantaloons, coatees, vests, jackets, cloaks, drawers, frocks, hats, caps, boots, and shoes.[63] Even where this business was conducted in conjunction with general merchandising it was frequently possible to obtain clothing of fancy quality. William M. Shute ordered twelve white linen vests, twelve with roll collars, twelve in double-breasted

60 See advertisement of a Mrs. Tillotson in Liberty (Miss.) *Liberty Advocate*, Jan. 4, 1845; a Mrs. Doyle in Savannah *Daily Georgian*, Dec. 2, 1854; a Mrs. Flint at Savannah in 1807; a Mrs. Jones at Milledgeville, Georgia, in 1832; and a Miss Dowell at Natchez in 1829.

Women seem not to have held clerkships in stores unless they or members of their family were directly interested in the firm. Signs of an impending change were occurring in the 1850's. The Pittsburgh (Penn.) *Post* in 1855 approved recent articles in the New York *Times* advocating the hiring of women in dry-goods stores. The Pittsburgh paper suggested that men should find more suitable work than measuring off tape and calico. Cited in "Ladies as Clerks," *Hunt's Merchants' Magazine*, XXXIII (Dec., 1855), 766. Philadelphia seems to have employed some women dry-goods clerks before the Civil War but southern records are silent on the matter.

61 *Southern Advocate*, May 18, 1827.

62 Yazoo *Democrat*, Jan. 4, 1854; agreement with Ethan Thompson, signed Aug. 12, 1853, Battaile Collection, Mississippi Dept. of Archives and History, Jackson.

63 Advertisement of H. Dews, Huntsville *Southern Advocate*, Oct. 23, 1829.

cuts, and twelve made of bombazine for his general store at Montgomery in 1835. Brown pants of linen and drill, black bombazine pants, white linen coats and jackets, plain and pleated linen shirts, and a number of stocks were available at his store. An order in the fall of that year illustrates the glory in which men dressed at the time and the fact that ready-made clothing sold by the piece rather than in complete suits: six black tabby velvet double-breasted vests, six of the same in single-breasted styles, six made up in silk, a quantity of fancy, blue, and mixed satinet pantaloons, three blue cloth coats to cost $15, $18, and $20, and six blue satinet coats in a price range from $8 to $10.[64]

Southern tailors who had dominated the local clothing field at the opening of the nineteenth century rapidly modified their procedure as ready-made clothing became popular. The change is evident in the business pattern of the Fitch family of Macon, Georgia. They had operated originally as tailors, but by 1826 L. Fitch and Company had become "merchant-tailors" and advertised ready-made clothing along with the latest New York fashions and workmen. In 1859 Horace Fitch and Company had transferred almost wholly to ready-made articles and regularly advertised receipt of such clothing from northern manufacturers.[65]

The southern clothing trade in the aggregate soon assumed large proportions and helped to make New York City the clothing center of the country. In 1849 Freeman Hunt pointed out that this branch of business had grown more rapidly than the increase in commerce and population as a whole would seem to justify. By that time it had swallowed up in large part the cloth retailer and the merchant-tailor, and Hunt had been informed that the output of ready-made clothing in New York City exceeded in value that of any other local type of manufacturing. His description of New York producers at the moment indicated a transformation in methods of production quite as interesting as the changes in retailing then taking place in the South.[66]

64 Letters Jan. 19 and Nov. 14, 1835, William M. Shute Letter Book, 1834–1837, Alabama Dept. of Archives and History, Montgomery.

65 Macon *Telegraph*, Nov. 1, 1826; Macon *Georgia Journal and Messenger*, April 6, 1859.

66 "The Clothing Trade," *Hunt's Merchants' Magazine*, XX (Jan., 1849), 116. The rapid progress in this field continued into the 1850's. Hunt attributed the

Hand tools, harness, and hardware were available in the stock of general country stores, but larger machinery, to the extent that it was employed at all, seems to have been left to other marketing agencies.

In its wealth and variety of merchandise the general country store offered a material standard of living considerably above that attained by the average southerner. Many of course were able to own only small quantities of "store-bought" goods. In comparison with modern costs of merchandising the ante-bellum system did not develop an enviable record, but it cannot be charged with failing to provide goods in ample quantities to meet effective purchasing demands. As a supplier of goods at least, the southern country and interior stores were a success.

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growth of the wholesale trade of New York City in other lines in part to the attraction of cheap ready-made clothing prices. *Ibid.*, XXXVII (Aug., 1857), 261–62.

Chapter Five

The Store as a Marketing Agent for Farm Crops

MARKETING OF CROPS NATURALLY REFLECTED THE VARIAtions in classes and the diversity of products which characterized the ante-bellum period. As has already been pointed out, small farms were to be found in the midst of large plantations, and wealthy slaveowners occupied holdings in small valleys within Piedmont and mountainous regions. Farming was sufficiently diversified in every part of the South to compel consideration of more than one crop in any one region if marketing needs were to be fully met. John Read, for instance, shipped over $25,000 worth of cotton from his general store at Huntsville, Alabama, in 1835. Since he shared the patronage of local cotton farmers with a number of other Huntsville storekeepers, the region obviously was producing a considerable amount of cotton. Nonetheless, in 1843 Read advertised his desire to barter merchandise for five thousand pounds of beeswax and five hundred pounds of tallow.[1] The greatest volume of business here obviously could be obtained only by handling a variety of farm products. Similarly, in 1817 John Bisland, a cotton farmer near Natchez, Mississippi, who owned one hundred slaves, bartered wool from his flock of sheep with Natchez stores for merchandise.[2] Such conditions make it clear why the factorage system and the general store could exist side by side.

Certain regions of the South of course were devoted primarily to general farming and livestock husbandry, as in the more mountainous sections of Tennessee; other regions stressed staple crops heavily, as in the sugar-producing parishes of Louisiana.

[1] John Read Journal; advertisement in Huntsville *Democrat*, Oct. 19, 1843.
[2] Beatrice Marion Stokes, "John Bisland, Mississippi Planter, 1776–1821," unpublished master's thesis, Louisiana State University, 1941, pp. 67, 109.

Invariably, however, diversity in crops and classes was sufficiently great to prevent complete dominance by any one system of marketing. Furthermore, the tendency to treat staple-crop areas and general-farming regions as distinctly different in every way ignores the common frontier process of development through which large parts of the South had just passed or was even then passing in 1860.

On the frontier, population was too scattered for the maintenance of stores or other marketing agencies, and early settlers were thus compelled to solve their problems through a self-sufficient economy in part and in part by traveling to outside markets. Flatboats enabled those located near navigable streams to move their crops considerable distances, and overland transportation was employed to a remarkable degree, considering the time and effort involved in moving crops over primitive trails and roads. Itinerant artisans and peddlers in frontier communities were followed by settled storekeepers as soon as population and crop production provided sufficient business to maintain a general country store.

Such establishments appeared at the earliest possible chance for survival and compensated for the limited extent of the market by performing as many economic functions as possible. Their proprietors recognized the absolute necessity of taking farm crops in barter for merchandise in an economy where money was virtually nonexistent. The problem of importing merchandise long distances over bad roads, and of disposing of produce taken in barter for this, made frontier storekeepers fully aware of the advantages to be had from connections with businessmen located nearer the seaboard. Many followed the plan of John Hook, who in 1770 revealed his desire to establish a working alliance with some store located near the falls of the James River in Virginia as a first step in opening his own business in the back country "remote from navigation."

In 1771 Hook entered a partnership with David Ross of Williamsburg. The latter furnished the greater part of the capital necessary for operations in the form of European goods and also agreed to handle the purchasing of merchandise and the sale of produce for the back-country store. Within a short time Hook seems to have attracted customers from parts of Charlotte, Camp-

bell, and Bedford counties; whatever other problems the new partnership developed it obviously never lacked for customers.[3] In Virginia particularly the development of back-country stores was stimulated by the entrance of Scotch and other outport merchants who found Tidewater business largely controlled by London firms. Many of these stores were simply branches of large wholesale houses. As concentration points for back-country produce, and also because they had originally been established with a view to convenience for marketing, some of these became nuclei of later towns, such as Baltimore, Georgetown, Alexandria, Fredericksburg, Richmond, Petersburg, Newberry, Washington, and Edenton.[4]

The clearest picture of how these early country stores acted as marketing agencies for the rural population can be had from an examination of the plan of operation of one particular firm over a period of years. John Hogg, for instance, maintained a chain of country stores in North Carolina early in the nineteenth century. Wilmington served as headquarters for John Hogg and Company, and the main interior store was at Fayetteville, which had water connections with the coast by way of the Cape Fear River. His brother, James, in partnership with a man named Adie operated stores at Chapel Hill and Hillsboro around 1803, both of which stores obtained supplies from John Hogg and Company and also disposed of produce in the same way. Still another store operated by a resident partner was maintained at Raleigh for a period of years.

John Hogg himself was primarily interested in the export of provisions from the back country. As early as 1795 he was part owner of a cargo of tobacco which the brigantine *Franklin* carried to Bordeaux to sell or exchange for merchandise. Considerable business was done with the West Indies and still more with northern firms. Clendenning and Adams of New York City, for instance, furnished Hogg and his Fayetteville partner, Meng, with merchandise at times and also had them buy cotton, flaxseed,

[3] The story of Hook's career is contained in scattered letters, a volume labeled Letter Book and Accounts, 1801–1809, and various business books for the period, 1770–1808. His partnership agreement with Ross is given in a book labeled Index, 1793–1808. All in John Hook Papers, 1752–1889, Duke University Library, Durham.

[4] Gray, *History of Agriculture*, I, 426.

and other items locally on commission. A flaxseed machine at Fayetteville and a cotton gin at Raleigh helped process the crops received in barter and thus eased the transportation problem.

Hogg apparently was ready to consider any kind of barter deal that came to his attention at his Wilmington commission house. An example of his unusual trading proclivities developed out of his acquisition of a quantity of black lead in 1806. Hogg was willing to barter this for anything from "hammers to whistles," since there was scarcely an item of commerce which he could not turn to account in the North Carolina trade. This optimism sometimes disturbed his partners at the interior stores since they had to stock the type of merchandise which their customers preferred. Meng at times objected to receiving assorted crockery ware, when salt, coffee, molasses, and money were more in demand. He closed an order to Hogg in the winter of 1804 with special emphasis on his need for money and salt. These, he said, were the material articles, and with them one could push off anything and collect produce with little trouble.

Since the records of the Fayetteville store are the most complete and it was also the most important and most successful of all, it will illustrate the nature of the back-country trade. It was a general mercantile establishment, devoted primarily to bartering goods for the crops which came in by wagon each season. These wagons came laden with wheat, flaxseed, tallow, flax, butter, peas, cotton, flour, bacon, corn, oats, beef, feathers, chestnuts, peach brandy, deerskins, cheese, beeswax, tobacco, cabbage, onions, pork, lard, grindstones, venison hams, whiskey, hops, and even spinning wheels. A barter book for the years 1803 to 1806 contains records of many transactions with the hill wagons, which often brought down a whole year's crop at one time.

Many of the individual transactions were of sizable amounts since they covered wagonloads of produce. For example, on November 21, 1803, as typical a day as any, nine barter transactions were recorded. Only one of these was for less than £10, Lawrence Bradley obtaining merchandise to the amount of £2 3*s.* 6*d.* for his tallow and beeswax. One transaction ranged between £10 and £20, four between £20 and £30, and three over £30. Thomas Henshaw had the largest amount of produce, tak-

ing £19 3*s.* 6*d.* worth of his nine barrels of beef, flaxseed, butter, and tallow in merchandise, and £19 6*s.* o*d.* in cash.

The store paid higher prices in barter for goods than in cash; Meng quoted both prices in a letter to a countryman on October 3, 1805. Flaxseed was £12 for cash and £16 in barter, wheat £10 and £12, flour £65 and £75, and tobacco £35 and £40. Nonetheless, wagoners almost without exception took part of their payments in cash, and Meng lost business to other Fayetteville stores whenever he was too short of this to oblige. Silver appealed to his customers, and also the "smooth, stiff kind" of new paper money, but ragged paper currency simply would not be taken, even though its value was unimpaired by its condition. And it was circulating at par.

Tobacco and flaxseed seem to have been available in greater amounts than cotton. Quantities of all kinds of produce arrived in various forms, however. Cotton came both in the seed and cleaned, lard was carried down in pails, tubs, and firkins, and butter arrived in an equally diverse number of containers. The diversity of produce which the hill wagons delivered to John Hogg and Company's country stores indicates that the owners followed a self-sufficient economy to a great extent. Their ingenuity in collecting a variety of produce that could be exchanged for store goods also indicated a desire to escape from the necessity of supplying most of their own wants by their own efforts. They obviously were ignorant of the most simple rules of currency values, but the barter record of their efforts in the field of production offers little evidence to sustain the popular impression that inhabitants of the Piedmont and mountainous regions of the South were shiftless and degenerate.

Money for taxes, molasses, and salt were the irreducible-minimum products which these people required from the outside world, and many of the barter accounts indicate that they obtained nothing more than this for their efforts. Others, however, produced a considerable surplus and were able to purchase a greater variety of merchandise. Meng, for instance, managed to work off limited quantities of items like green- or blue-edged plates to those who had prospered during the course of the year. At least some of the hill wagons thus returned home with trinkets and luxuries that stimulated their proud possessors to

seek better marketing connections as a means of acquiring still more of these.

Competition for the back-country trade was severe even at this early date. James Hogg lost his Chapel Hill store through inability to meet his bills, occasioned apparently in large part by competition from other stores. During his fifteen years of operation at Fayetteville, Meng emphasized the necessity of furnishing merchandise at the lowest-possible rates as a means of holding the trade of the back-country people.[5] Such competition reflected the fact that coastal cities which had maintained wagon yards at earlier periods to facilitate direct retail trade relations with back-country people soon found themselves cut off from this by small interior towns which intercepted the wagons on their journeys from the back country. Seaboard cities thus were compelled more and more to shift their attention to shipping produce received from interior towns and country stores and to supplying these with merchandise.

This process of specialization was so widespread and obvious that coastal cities and interior towns were fully aware of the changes which were taking place. A writer in a Charleston paper in 1827 described the transition which that city had already undergone.

It is known to us that all the retail trade of Charleston, which was a few years ago the life and spirit of our town, has been cut off and intercepted by a chain of small towns, situated at the foot of our hilly country, and extending across the state from North Carolina to the Georgia boundary line. You will recognize in this chain the towns of Cheraw, Camden, Columbia, and Hamburg. Formerly our back-country people had to look to this city for their supplies even of small articles. Then they were neither wealthy nor numerous, now they have greatly increased in number, wealth, and luxury; and their wants are so general that country stores find encouragement and business, limited, it is true, at first, but now extensive. . . . This was no strained or artificial result; but was the

[5] The records of this business are contained in Shipper's Account Book, 1795–97; Letter Book of Hogg and Meng, 1803–1808; Barter Book of Hogg and Meng, 1803–1806; John Hogg Day Book, 1803–1806; Hogg and Meng Day Book, 1805–1807; Hogg and Meng Journal, 1803–1806; John Hogg Journal, 1802–1804; Hogg and Meng Day Book, 1807–15; Hogg and Meng Cash Sales Book, 1813–14, all in John Hogg Accounts, 1795–1867, University of North Carolina Library, Chapel Hill.

natural progress of natural things. If Charleston yet retained her very great retail trade, it would be a strong evidence of our State being behind her sisters in the solid improvements of life. . . . We must be content to do the retail trade of our immediate neighbors only. If we act wisely, however, we may secure the entire *wholesale* trade of those towns, as well as that of the adjoining states. But to do this we must rouse our sleeping energies. . . .[6]

The letter revealed a development which was to become even more pronounced with the passage of time. In 1828, for example, Salisbury, North Carolina, had not as yet made a real bid for the back-country trade which passed through the town on its way to Fayetteville. For the moment it was content apparently to profit indirectly by acting as a service station for the hill wagons on their way down. Wagon yards thus advertised their conveniences for those making the trip. One of these charged twenty-five cents for an overnight stop, which included the use of a good house, fire, water, and shelter. A grocery and provisions store, bread shop and confectionary was attached to the yard for the convenience of wagoners doing their own cooking. Those who preferred to buy meals could be accommodated in a "plain, cheap, wholesome & comfortable style." [7] In 1832 the editor of the local paper was still more interested in the competition between Fayetteville, North Carolina, and Cheraw, South Carolina, for the back-country trade than in the prospects of Salisbury sharing in this. Cheraw had drawn most of the country business during the preceding winter, and the editor was afraid that Salisbury might lose its position as an intermediate stopping point in the back-country trade with Fayetteville.[8]

In the 1840's, however, Salisbury storekeepers began to intercept the back-country trade, and the local editor now began to boast of the number of mountain wagons to be seen in town as the fall trade opened, and of how cheaply goods could be bought from local stores.[9] By 1848 the little community of Statesville, with three hundred people and only four stores, seems to have

[6] Letter signed "South Carolina," in Charleston *Courier*, Oct. 27, 1827, quoted in Ulrich B. Phillips, *A History of Transportation in the Eastern Cotton Belt to 1860* (New York, 1908), 133–34.

[7] Salisbury *Western Carolinian*, Aug. 5, 1828. [8] *Ibid.*, March 19, 1832.

[9] *Carolina Watchman*, Nov. 29, 1845.

been cutting in on connections of Salisbury storekeepers with farmers in counties north and west of Salisbury.[10]

The process was thus a cumulative one. As population moved forward on the frontier the outermost fringe of settlers had to rely on long journeys to outside markets, with intermediate wagon yards and country stores in somewhat more densely settled territory beginning to facilitate the process of marketing frontier produce. With the passage of time these became small towns and even cities which took over the whole of the wagon trade from communities nearer the seaboard and also retailed goods to farmers in the immediate neighborhood. Wherever natural resources permitted the development of country towns the long trips to market which had characterized the community at an earlier date declined in favor of local marketing of farm crops. The store had been the first settled agent for this in the pioneer stage and, historically speaking, there was nothing unusual in its continuance of the function after the frontier had passed.

Some parts of the South of course failed to reach a stage of economic development where local mercantile establishments obviated the necessity of transporting crops directly to outside markets. On a visit to Savannah in the late 1840's Emily Burke saw country women who had come eighty to one hundred miles from the interior to dispose of limited stocks of produce. They had arrived the preceding night and had camped on the cold, damp bricks at the market house in order to be ready for the early opening of the market the following morning. These women had loaded their little, two-wheeled covered carts at their homes in the back country with chickens, ducks, geese, hominy, a pig or two, perhaps some venison, and cooking utensils. On the way down they had cooked by the wayside and slept in their carts, and now they were ready to dispose of their produce and invest the proceeds in store goods before starting the return journey.[11]

Olmsted reported much the same picture from his Georgia visit in the 1850's. The heaviest traffic which he observed on the road not far from Savannah consisted of small one-horse carts of the crudest workmanship. Wooden pins and lashings of hide

10 *Ibid.*, Feb. 10, 1848.
11 Emily P. Burke, *Reminiscences of Georgia* (Oberlin, 1850), 18–25.

had been substituted for nails in the construction of these; ropes and undressed hides served as harness. Occasionally one of these carts contained a bale of cotton, but more commonly they had a varied assortment of maize, sweet potatoes, poultry, game, hides, and peltry, with always some bundles of fodder to feed the horse. Although the trip might consume several days, women and children frequently accompanied the cart since the whole family would be reclothed from the proceeds of the sale of its contents.[12]

This form of marketing was to be found along with more specialized types in parts of all southern states as late as the Civil War. The Montgomery, Alabama, paper in 1842, for instance, spoke of local streets being crowded with wagons bringing in cotton and carrying away merchandise for the upcountry area, and claimed that wagons with Montgomery goods had been seen far up in Georgia not long before.[13] Such trade was sufficiently important as late as 1848 to receive emphasis in the advertising of T. J. and R. Maxwell, who operated stores at Northport and Tuscaloosa, Alabama. They maintained free wagon yards, with good kitchens and wells, at both places for customers who came from a great distance and thus found it necessary to remain overnight. Customers were advised to bring a supply of firewood in their wagons, but they would find all other necessary supplies at the stores. Many of the wagons which came to their yards were undoubtedly loaded with cotton from farms only a few miles away, but some must have carried more general products from greater distances since the Maxwells offered to barter goods for cotton, meal, flour, beeswax, tallow, and country produce.[14] Absolute necessity did not of course account for the survival of all of this type of trade. Poorer communities which were served by one general store probably still found better prices in distant city markets for poultry and semi-perishable country produce than could be obtained from the near-by storekeeper. Whatever the explanation for its survival, however, the continued presence of this more primitive form of marketing serves again to illustrate the fact that it is impossible to differentiate sharply among forms of marketing procedure.

[12] Olmsted, *The Cotton Kingdom,* I, 231. [13] *Alabama Journal,* Oct. 12, 1842.
[14] Tuscaloosa *Independent Monitor,* May 4, 1848.

Storekeepers located in general-farming regions disposed of much of their accumulations of produce through direct peddling expeditions to areas that devoted too much attention to the production of a staple crop to be self-sufficient in foodstuffs. How simply this type of trade could be conducted is evident in the records of the Harper family, which operated a general store in the Yadkin River Valley near the Blue Ridge Mountains of North Carolina in the 1840's and 50's. The valley contained a number of cultured families who owned slaves in some numbers, but the community as a whole consisted of small farmers.

During the course of a year the Harpers accumulated considerable produce from their own farm and from customers who bartered crops for merchandise at their general store. The Harpers made occasional trips to Philadelphia to purchase merchandise directly from wholesalers, but much of their goods was bought in Charleston or shipped in through that port. Wagon trips to Columbia, and occasionally to Charleston, to obtain this took on an average apparently from twenty to thirty days. On the way down the wagons were loaded with produce to sell along the road or for disposal at the end of the trip.

To older people these journeys probably represented only monotonous labor. For that reason the diary of a young boy in the Harper family, who was greatly excited over his good luck in being allowed to accompany some of the wagoners, offers the clearest picture of the conduct of such a trading trip. On June 12, 1850, this youngster started on his first journey to Columbia with two older men who were taking his father's wagon and apparently two wagons of others in the community. The Harper boy's chum was permitted to accompany the caravan the first day and night, but only young Harper was allowed to make the full trip. The first day they traveled sixteen miles and camped at a ford on the Catawba River. Corn and fodder for the horses were purchased during the course of the nineteen miles covered the second day, and the night was spent near Lincolnton. Wheels on one of the wagons gave way the next day near a spur of King's Mountain, and considerable time was lost in searching for parts to replace the defective equipment. When the wagons got into South Carolina the men began to sell linseed oil, wagon harness, and horse collars. The remaining produce was sold in Columbia

before the wagons were loaded with merchandise at the local depot for the return trip. Occasional meals were eaten at taverns on the way home, but most of all the boy enjoyed the camping out, and even the windstorm, rain, and mud which delayed their progress.

Such trips seem to have been made as frequently as every six weeks, but the next journey on which young Harper was allowed to go did not start until February of the next year. On this occasion the wagons were loaded with butter, feathers, linseed oil, horse collars, and shoes, and a number of mules were taken along for sale as well. The youngster recorded in his diary that the mules brought a good price in South Carolina, that linseed oil sold at one dollar a gallon, oats at seventy-five cents a bushel and feathers at thirty-five cents a pound. Country stores, farmers along the way, and a muster day at Mechanicsburg, South Carolina, afforded opportunities for sales. Trading expeditions to Charlotte, North Carolina, in 1855 with bacon, shoulders, sides, and hams, and to Lancaster, South Carolina, in the same year with bacon and flour demonstrated the continuance of the business pattern already described. Wool, beeswax, and butter were other items disposed of on such trips.[15]

The type of economic setup which this family employed must have characterized many other mountain-valley traders. The Harpers bartered their general merchandise for the various types of produce brought in by customers. This was supplemented by the yield from the Harper farm and the whole then processed as much as possible in linseed, grist, and other mills which the Harpers helped establish in the local community to reduce carrying costs. This produce was then peddled along the way by wagons which were making trips to obtain merchandise for the local store.

Where purchasers for farm produce were not located along roads followed by wagons going after goods for country and interior stores, the problem of disposal of crops was somewhat more complicated, but not insoluble by any means. Interior wholesale centers like Nashville, Tennessee, which were located in or near general-farming regions willingly accepted produce

[15] Diaries of George W. F. Harper, March–April, 1846; 1850–51; 1851; 1855–56; 1857–59; 1859–60, George W. F. Harper Papers.

from country stores in payment for merchandise. Commission houses in such cities would also forward crops for sale in eastern markets if the storekeeper thought he could do better by consigning his produce to outside agents. West and Scott, Nashville wholesalers in 1848, for instance, had a letterhead on business correspondence listing offers of cash for wool, feathers, beeswax, ginseng, flaxseed, hemp, bacon, lard, tallow, dried fruit, peach brandy, millet seed, beans, peas, hides, furs, pelts, and other country produce. Rural storekeepers knew that the cash offer of West and Scott was meant to convey a willingness to deal with them on any terms, and that the Nashville house would give even higher prices for merchandise in barter than in cash.[16]

Tennessee storekeepers engaged to some extent in the business of driving cattle and hogs overland to markets in Virginia and Georgia, and also in selling these to buyers from the South.[17] Store goods could be bartered for livestock from farms in the surrounding community and the animals maintained on the storekeeper's own farm until a sufficient number had been acquired for sale or a drive. The storekeeper was widely acquainted with farmers and knew the extent of livestock production in his community; he could afford to offer good prices in barter for merchandise; and his business connections with the outside world probably made him the best-informed man locally in regard to prices at market destinations.

The volume of foodstuffs shipped from general-farming regions to staple-crop areas naturally stimulated the development of specialization in the marketing process. As a consequence, storekeepers who preferred not to peddle the products received in trade could generally dispose of these to men who devoted full time to supplying provisions to farmers and planters in the lower South. The Welcker family of Kingston, Tennessee, offers an effective illustration of this. In 1833 Charles F. Welcker placed his farm and his sawmills and gristmills under the supervision of another man, and entered a partnership to retail goods and provisions at Gunter's Landing and Talladega, Alabama.

[16] Statement of 1848 account in Russell Collection of Jackson Pryor Papers, Tennessee State Library, Nashville.

[17] Letters July 2, 1845 and Sept. 24, 1846, *ibid.* See Gray, *History of Agriculture*, II, 839–42 for an account of overland drives to southern markets.

Much of the pork, lard, apple butter, feathers, dried fruit, flour, and kraut which were sold at the two outlet stores during the course of the next two years seem to have been obtained directly from Tennessee farmers. Iron castings, cotton gins, and apparently some general merchandise were included in the stock of the partners after the period of experimentation.

The Panic of 1837 and personal difficulties among members of the partnership seem to have inclined Welcker to return to Tennessee in 1838 to manage his father's farm. Other members of the family made occasional trips to Alabama with produce in the early 1840's, and Charles himself disposed of crops from his father's land in this manner. As a landowner, Welcker could easily shift from farmer to produce dealer and even to elementary merchandising as market opportunities dictated. In 1846 he made a series of contracts with country stores in the general vicinity of Roane County, Tennessee, for provisions which they expected to receive in the course of business. James Wallace of Anderson County signed such a contract with Welcker on July 27, 1846, in which the storekeeper agreed to turn over all dried peaches, peach brandy, and flaxseed received between that date and the first of November, and to pack these so they would ship well on the river and sell at the end of the journey. On July 28 a similar arrangement was made with Jacob Sharp's store in Campbell County, although Sharp agreed also to build a boat to carry his collection of foodstuffs down the river. On January 22, 1847, Charles wrote to his brother that he had passed down the Tennessee River as far as Gunter's Landing through weather composed of wind, snow, sleet, and rain. There he had bartered tobacco for leather, and had boxed the latter for shipment to his brother who apparently had contracts of his own in Paducah, Kentucky.[18]

Here again marketing procedures were not clearly differentiated. Obviously not all foodstuffs passed directly through the hands of country stores on their way to the deep South, nor were the economic services of the various agents engaged in this business sharply defined. On the other hand, it is evident that the rural store offered an outlet for country produce, that it handled a

[18] Letters in Welcker Papers.

considerable volume of this, and that it probably was the most stable of the various marketing schemes employed to collect farm crops for export to outside markets.

As already pointed out, the strongest factor in the development and survival of country and interior stores undoubtedly was the need for an economic agent to serve the lower- and middle-class population of the South in the same way that the factorage system served the large planter. The frontier process which was so prominent in the South to 1860 served to emphasize the importance of the store as an economic factor and to give it an initial advantage over other marketing procedures that developed as communities passed beyond the pioneer stage. Since planters, for instance, hesitated to take their property in slaves into new and less law-abiding communities until the preliminaries of pioneering were out of the way, the store generally preceded the factorage system in point of time.

Conditions around the opening of the nineteenth century were particularly favorable to the development of the store as a basic southern economic institution. The system of trading tobacco directly to English fleets which had been popular in the seventeenth century while settlement was hugging the Atlantic seaboard had long since been modified by the necessity of employing middlemen to bring English merchants and back-country settlers together. Factors located in coastal ports served this purpose and kept the direct consignment of some plantation tobacco to English firms in operation. Nonetheless, as settlement pushed into the back country in the eighteenth century direct purchase of tobacco from farmers by interior storekeepers made remarkable gains.[19] The American Revolution and declining profits from tobacco on worn-out land facilitated the decline of the factorage system and a staple-crop economy; and always, as population continued to spread over the interior South, the necessity for developing local community concentration centers for crops before they could move to market through the ever more distant seaboard cities meant a demand for the store as an economic agent. Sugar economy and especially the rise of short-staple cotton production early in the nineteenth century gave commercial, capi-

[19] See Gray, *History of Agriculture*, I, 425–30 for changes in the colonial marketing structure.

talistic agriculture and the factorage system a new lease on life. Cotton production required an experimental period, however, before plantation owners were willing to concentrate on its production to the point where the factorage system could come into operation. Thus the early nineteenth century represented a period of migration to interior lands with a consequent need for stores, of continued relative decline in the old colonial consignment and factorage system of marketing tobacco, and of the rise of sugar and short-staple-cotton production to which the factor was to owe his revived importance, but only after experimentation had demonstrated the feasibility of this. In this interval the store strengthened its position.

Mercantile records demonstrate how farmers and storekeepers alike felt their way along when short-staple cotton started its transformation of the South. William Murrell, for instance, operated a general store at Statesburg, South Carolina, in the latter part of the eighteenth century. Before the American Revolution his customers had paid store accounts from the sale of indigo, and the community had seemingly been a prosperous one. The success of the indigo crop, however, depended in large part on the subsidy advanced by the British government as a means of furthering its production in the American colonies. The Revolution terminated this underwriting of the market, and the crop suffered additional injury from new ravages by insect pests. Nonetheless, Murrell and his customers for a considerable period of time continued to hope that indigo production and prices would return to a level which would bring back the prewar prosperity.

By 1796 Murrell's community was beginning to doubt if the local depression would ever disappear. Murrell succeeded in obtaining some six thousand to seven thousand pounds of the 1795 crop by January 13, 1796, but this was of inferior quality and was insufficient to balance the store accounts which he had permitted local indigo producers to run during the preceding twelve months. The poor price which he obtained for the indigo in the Charleston market convinced him that he should go over to cash sales for merchandise; at the same time he began to accept indigo above market prices as a means of clearing something on long-standing accounts which his customers had been unable to

pay. In other words, storekeeper and farmer alike were caught in the disaster occasioned by the collapse of the market for the staple crop on which the community had depended for so long. Murrell's desperate plight was evident in his comment in a letter of February 11, 1797, concerning a rumor of better prices in the New York indigo market: "that it may be the happy case, may God of his infinite mercy grant, Amen."

This holding on to an unprofitable crop in the Statesburg community demonstrates that tradition has at times influenced southern economy adversely, but it must be borne in mind that old patterns sometimes return to profitable ways if temporary recessions are ignored. It is worth noting, too, that the community began experiments with other crops shortly after indigo prices collapsed. On September 21, 1796, Murrell wrote his Charleston agents about experiments with cotton and pinders (peanuts), and this was before the South was convinced that Eli Whitney's gin had solved the problems of short-staple cotton. Furthermore, it is clear that the initial impulse toward short-staple cotton production and the acceptance of Whitney's principle for separating the seed from the lint in the Statesburg community came from local farmers and storekeepers who had to prod Charleston business houses into accepting the change.

On October 8, 1797, Murrell reported several good crops of cotton locally and thought that between cotton and indigo he might collect more than at any time in the past two years. On November 12 he wrote that farmers were determined to abandon indigo, cotton prices being better and the plant much healthier. Three days later he asked his Charleston agents about buying seed cotton, and for information on prices for various varieties. Many were producing cotton on too small a scale to gin it themselves and a real problem had developed here. On November 26 he accepted his agent's advice to leave seed cotton alone, unless he could exchange it for clean cotton, as he had no gin and his Charleston agent seemed unable or unwilling to try to obtain access to one.

Murrell collected only one thousand pounds of indigo in the winter season, however, and on March 28, 1798, asked his Charleston agent to show some "saw ginned" cotton to other Charleston businessmen, and to ask for an opinion of its worth. Since he had

heard that these men were thrown "into the Spams" by the very sight of saw-ginned cotton, he suggested that his sample be displayed as having been nicely hand-picked and then half carded. He was now convinced that he should erect a gin to handle the crop for those who were going into its production on a small scale only.

Planters and storekeepers alike in his community were determined to see that cotton had a fair chance to demonstrate its ability to lift them out of the indigo depression; when his agents reported Charleston buyers unfavorable to the cotton which he had sent down, he ordered them to send the bag to England. Its owner, a Mrs. Huger, knew an Englishman who was acquainted with cotton manufacturing and who would give the sample a fair trial. In this letter of April 7, 1798, Murrell intimated that farmers in his locality were unwilling to turn to black-seed cotton, the only type supposedly suited to roller gins, until all efforts had been made to prove the worth of saw-ginned cotton. The black-seed variety was less productive and if saw-ginned cotton proved successful planters would be relieved of all their financial difficulties.

By December 28, 1798, Murrell had found a Camden, South Carolina, firm which would take seed cotton from his debtors and clean it themselves. He also made a shipment of saw-ginned cotton to Charleston on March 30, 1799, indicating the decline of opposition in that city. On September 21, 1799, Murrell announced his intention of buying cotton, and even of advancing some cash on crops if necessary, as a means of collecting store accounts. He could now speak of indigo as that "accursed article" which had caused him so many losses in the past few years. On November 3, 1799, he pictured the effects of cotton culture on local trade: "It appears to me that the general culture of cotton in the Settlement, & the consequent ability to pay for the goods wanted by those whose inability to pay would not suffer them to deal before, will make it necessary I should have more goods than in any year past; and am happy to think shou'd the price of cotton continue up for the Winter, few of us will be found in debt by the beginning of next summer."

That fall for the first time Murrell was able to arrange for a local gin to handle seed cotton received from his customers,

although the rapid spread of the crop prevented his being able to accept all that was offered. From this time until his detailed business record ceased in 1803 Murrell accepted cotton regularly from his customers, and while he was disappointed occasionally by fluctuations in the price of cotton, both he and the farmers in the Statesburg community enjoyed reasonable prosperity. Charleston buyers who had refused saw-ginned cotton in 1798 argued with Murrell in 1800 over whether their bids of twenty cents a pound or his insistence on twenty-five cents constituted a proper price for the article.[20]

The details of these years are presented because they so clearly demonstrate the value of cotton economy to communities that had ceased to prosper with the older staples; they also indicate the experimentation and change that have characterized the South at various periods, and they show the importance of the country store in the development of this new staple which was to dominate the life of much of the South in the future. An analysis of such detailed records leaves one with the realization that cotton economy developed out of a process of trial and error and that the principle of comparative advantage on an international scale offers perhaps the soundest explanation of why 3 per cent of the world's land mass located in the American South for so long produced up to 75 per cent of the world's cotton supply.

Country stores in other parts of the South in the opening years of the nineteenth century participated in the experimentation which accompanied the spread of short-staple cotton. Abraham Mordecai came to what is now the state of Alabama in 1785 and opened a trading post to deal with the Indians. As soon as cotton appeared in his community he erected a gin and began to barter store goods for cotton. His plan of operations although financially successful was terminated when his fondness for squaws resulted in the burning of his ginhouse by irate Indians.[21]

Businessmen outside the South also showed an early interest in cotton economy. John Wilkins of Pittsburgh, Pennsylvania, had a store in company with a younger partner at Natchez in 1802, with the developing cotton trade one of their chief in-

[20] A detailed picture is available in the letters in Letter Book, 1795–1812, William Murrell Collection, 1793–1851, Duke University Library, Durham.

[21] Albert J. Pickett, *History of Alabama and Incidents of Georgia and Mississippi, from the earliest period* (Sheffield, Ala., 1896), 470.

terests. A Pittsburgh blacksmith was making gins and Wilkins hoped to retail these through the Natchez store. The resident partner was advised to advance money on cotton crops if necessary, but to encourage farmers to take pay in store goods whenever possible. In this trade Wilkins thought it best for the Natchez partner to obtain cotton in the seed since he then could be certain of disposing of the large quantity of bagging, rope, and twine which would be shipped to him from Pittsburgh in the fall. A gin was operated at the store with this in mind, and also to assure proper preparation of the cotton for market.[22]

Some of the early experimental business policies of men like Wilkins became a part of the business procedure of country stores after the cotton trade settled down; other seem to have proved less popular. The exchange of merchandise for cotton became universal, for instance, but as cotton growing developed, the percentage of gins owned by storekeepers seems to have declined. Large planters erected gins which handled their own and neighboring small crops in many communities, and factors cut in on the stores by arranging to handle the business of large planters. Within a period of years it became evident that cotton could be produced successfully on a small scale by farmers or in quantity by plantation owners. The resulting ranges in volume of production stimulated the development of marketing procedures calculated to care for almost any level of output, with a consequent overlapping of economic functions performed by factors and storekeepers to the point where at times the two could scarcely be distinguished.

While necessity compelled storekeepers to take cotton in barter for merchandise, their interest in the crop varied greatly. Many small stores handled cotton simply because it expedited the disposal of goods. The South as a whole was gripped by a speculative fever in the two or three years preceding the Panic of 1837, but the records of a Claysville, Alabama, storekeeper for the period show that he accepted cotton at his establishment primarily as a means of facilitating his merchandising and not because of a speculative urge. He occasionally received seed cotton in amounts of less than $10 on customer accounts, and the

[22] Letter March 2, 1802, William J. Minor Collection, 1748–1898, Louisiana State University, Baton Rouge.

largest crops accepted at his store ranged from four hundred to seven hundred pounds.[23]

In contrast with the Claysville store can be placed the firm of Pope and Stout who operated commission houses at Florence and Huntsville, Alabama, in the 1820's. They were prepared to store, ship, and sell cotton, receive and forward goods, and to collect debts. At both places large stocks of groceries and provisions were maintained to exchange for cotton at rates below those prevailing in the regular mercantile houses.[24] Here the sale of goods had become a mere adjunct of the cotton trade itself, and these men more nearly represented an interior factorage organization than they did a store.

One major influence inclining storekeepers to accept cotton in quantity was the additional protection to store accounts which the policy provided. When goods were sold on twelve months' credit and customers disposed of their cotton through other channels it was easy for the storekeeper to be paid only after all other obligations had been met and only then if any money remained from the year's crop. If an understanding existed to the effect that farmers were to turn their cotton over to storekeepers with whom they traded, the store account then was protected by being first on the farmers' lists of obligations.[25] Willingness to accept cotton at higher rates in barter for merchandise came in part from this fact.[26] Stores that were having trouble in collecting retail accounts at times would even agree to advance money as well as goods on future crops if farmers would dispose of the whole yield through the local storekeeper. The latter might even agree to figure the sale price in terms of what the crop brought in a coastal city, providing only that he keep control of the crop on its way to market and receive payment for his goods as the first obligation against crop returns.[27]

Storekeepers, like other southerners, also succumbed at times

[23] Journal, 1834–46, of an unidentified storekeeper.

[24] Huntsville *Democrat*, Dec. 1, 1826; Huntsville *Southern Advocate*, March 16, 1827.

[25] Letters Feb. 21 and March 3, 1800, Letter Book, 1795–1812, William Murrell Collection.

[26] Letter Jan. 14, 1797, *ibid.;* letter Oct. 28, 1835, Letter Book, 1834–1837 of William M. Shute; letters Jan. 19, Feb. 2 and 6, 1852, Wallace Parham Manuscript Collection.

[27] Advertisement of B. M. Lowe, Huntsville *Southern Advocate*, Jan. 18, 1828.

to the speculative urge which rumors of coming increases in cotton prices created. John Martin's career in Memphis, Tennessee, demonstrated how thoroughly storekeepers who were governed by the best of intentions could succumb to cotton speculation and find themselves in severe financial straits within a matter of months. Martin seems to have made an excellent record as a storekeeper in Chattanooga before transferring his activities to the cotton town of Memphis in 1843. He was immediately impressed with the two hundred to five hundred cotton wagons which could be seen on Memphis streets almost daily, but he seemingly understood the risks involved in cotton speculation: "I am fully sensible of the risque there is in doing business in such a place as this, and intend to act with great caution. Several men who came here 3 years ago with 20 to $30,000 are now insolvent for large amounts."

His mercantile business for 1843 was particularly good. His stock was among the largest in Memphis and sold at an excellent profit. Martin obviously was headed toward a successful period of retailing and his store seems to have consumed virtually all his time. Nonetheless, he could not resist watching the cotton market, which he was convinced was far too low. Since he had continued to state the dangers involved in cotton speculation in letters written to his relatives in eastern Tennessee, they must have been greatly surprised by a letter from him on January 1, 1844, announcing that he had acquired considerable cotton on which he expected to make a handsome profit. This he reckoned at $15,000 to $20,000 in February, and at the same time he was dreaming of greater business opportunities which promised to open through a partnership which had been suggested to him by a New Orleans commission house: "I have some confidence in my business habits, and gratifications. and if I make anything I must do it while I am Young and able, and I think New Orleans, one of the best fields for a man of capital and enterprise, to operate in I have ever seen."

Early in March, however, he had decided to be satisfied with a profit of $5,000. On March 30 he was able to summarize his venture in cotton speculation: "We are disappointed in the result of our cotton operations, we calculated at one time on realizing a very large profit, we will, I think, get out without loss, or at

least a small one. I am now afraid of the sight of a bale of cotton; am fully satisfied that no one can make any correct calculations as to the course the cotton market will take. . . . Our regular business is doing well and I will give it attention and leave speculation alone in future unless I am certain of the result."

By May 22 it had become evident that he would lose at least $15,000 on his cotton venture which would more than wipe out the $12,000 profit from the store. The latter had been affected by the cotton recession, but Martin's original idea that his financial success depended on merchandising had been sustained by the record of his mercantile venture.

On September 20 Martin was able to reveal new arrangements. He now intended to keep his local store and a second at Helena, Arkansas, in addition to a connection which he had made with a commission house in New Orleans. He had now decided that it was much better to advance money on other people's cotton and to manage sales for them than to invest directly, and this was the basis of his New Orleans connection. Additional letters during the fall months revealed the new arrangement to be working out nicely, and also Martin's hope for recouping his losses of the preceding year.[28]

Experienced country storekeepers found such connections best suited to their needs. Their local stores could advance goods against cotton shipments, and factorage or commission-house connections in coastal cities made it possible to furnish any cash advances which had to be made. Store accounts were protected by controlling the cotton sent out from the local community, and there was also a chance for profit from charges for handling the crop. John Read who operated a general store at Huntsville, Alabama, for some thirty years, and who seems to have survived business depressions with remarkable success, marketed accumulations of cotton totaling over $25,000 a year at times under such an arrangement. In the middle 1830's Martin, Pleasants and Company of New Orleans handled sales for him. Each seemed to have had one-third interest in the scheme, with another man, whose location was not specified in Read's Journal, also interested to the extent of one third.[29] Excellent profits on cotton at times did not induce Read to deviate from

[28] Letters in Lenoir Papers. [29] John Read Journal.

his major interest of merchandising. In the 1850's he still advertised his general store, and, as far as such announcements revealed, still relegated cotton to its place as an adjunct in the disposal of merchandise.

Since country stores frequently depended on factors and commission houses to market cotton for them and also to advance cash at times, the question of the extent to which coastal firms dominated country and interior stores with which they established connections naturally arises. Large planters who maintained relations with factors were committed to selling crops through them and also were sometimes subject to a penalty clause if they did not produce the quantity agreed upon.[30] The working arrangement between factorage concerns and storekeepers is well illustrated in the business correspondence of William M. Shute, who operated a general store at Montgomery in the middle 1830's, with Sayre, Converse and Company of Mobile. Shute shipped almost all the cotton received at his Montgomery store through the Mobile firm, although he seems to have been free to consign crops to other houses in that port if his customers objected to Sayre, Converse and Company. Shute was permitted to draw letters of credit ranging as high as $10,000 to meet his eastern wholesale bills and other major expenses. The Mobile concern was very liberal in this matter, permitting bills to clear even when Shute's shipments of cotton were insufficient to cover the payment for some time. As a matter of fact, Sayre, Converse and Company found itself in trouble almost immediately after the arrival of the Panic of 1837 because of its liberality in such matters.

Shute purchased only a small amount of his merchandise in Mobile, and only a limited amount of this through Sayre, Converse and Company. Although a commission was charged by factorage houses for such services, the Mobile firm made no objections when Shute sent orders to be filled by other concerns. Sayre even advised Shute at times to buy provisions directly through other local firms. Merchandise for the Montgomery store came from New York, Boston, Philadelphia, and New Orleans, Shute purchasing from a number of concerns in each of these cities.

30 See Chap. II.

Sayre, Converse and Company seem to have valued the connection with the Montgomery store. At least, they followed the customary practice of sending Shute oysters or other compliments at the Christmas season, and of being very liberal in granting credit privileges. Shute was free to buy through other Mobile firms and in other cities. Obviously the main advantage of the connection for the Mobile house was the opportunity of handling the cotton taken in at the Montgomery store.[31] Records of other country and interior stores reveal much the same kind of arrangement with coastal firms.[32] The latter naturally expected to receive cotton crops on which their money had been used to make advances, and they also properly expected to receive the rest of the cotton collected unless there were obvious reasons for a different policy of disposal. Since the extension of credit was a boon to country stores, it apparently was unnecessary in almost all instances to compel storekeepers to enter written contracts to follow this general policy. In all other matters of business conduct the store was free to do as it saw fit. In other words, storekeepers did not have to surrender freedom of action in the mercantile sphere in order to engage in the cotton trade.

The same general situation seems to have prevailed in the tobacco-growing sections of the South, except for the fact that country stores more generally made connections with internal concentration centers than was true in the cotton areas. Storekeepers who accepted tobacco in barter for goods or who bought tobacco in partnership with some outside concern were as free to buy merchandise where they pleased as were the cotton-dealing stores. Furthermore, customers of these stores were as free as those in the cotton sections of the South to dispose of their crop to the best advantage regardless of debts contracted for merchandise.

The Grastys of Mount Airy, Virginia, for example, received

[31] In Letter Book, 1834–37, of William M. Shute are numerous letters describing this connection in the years 1835–37.

[32] See John Read's Journal. Calvin Taylor of Satartia, Mississippi, on July 26, 1847, arranged with I. W. Arthur and Company of New Orleans, wholesale and retail grocers and commission agents, for them to furnish him bagging and rope, groceries and provisions for the coming cotton-buying season. Taylor was to be granted credit for these items as needed, was to ship cotton through the New Orleans house, and was to recommend planters of good standing who were in need of supplies. Agreement in Calvin Taylor and Family Collection.

tobacco crops from their customers ranging as high as 1,700 pounds. Early in the nineteenth century these were frequently sold to R. and W. Colquhoun of Petersburg, from whom they also purchased considerable merchandise. Other Petersburg firms sold them wholesale orders equally as large, however, indicating that they were free to purchase where they pleased. Richmond and Lynchburg also received a share of Philip Grasty's patronage, according to his estimate of which Virginia city offered the best tobacco prices and the cheapest rates for merchandise. Occasional trips to Baltimore and Philadelphia provided him with a sound basis for judging the advantages of markets nearer home.[33]

His son, William, exercised similar freedom of operation at Mount Airy in the 1840's, selling the tobacco taken in exchange for goods where he pleased and buying merchandise the same way. He seems to have attempted to improve on his father's methods in only one way. In 1856 he became interested in the tobacco factory of Grasty and Lewis at Danville, Virginia, and the tobacco received at his local store could thus be processed for the retail market before leaving his possession.[34]

Competition among dealers for tobacco crops obviously contributed to the freedom of action enjoyed by country and interior storekeepers. John Winn, storekeeper and postmaster at Winnsville in Fluvanna County, Virginia, in the middle 1830's had an arrangement with Richmond firms to advance money for buying tobacco in his locality. Nonetheless, the number of firms with which he dealt in Richmond indicated that he was not bound to purchase his merchandise from those with whom he conducted tobacco operations.[35]

Howerton and Cabaniss of Halifax County maintained an interesting arrangement in the 1840's. They operated a tobacco factory as their major interest, selling the output largely in the Baltimore market. They also owned a line of river boats to carry their own supplies and freight for others. Boat hands and factory employees were expected to obtain merchandise and supplies from a general store which the firm maintained for that purpose.

[33] Tobacco Book, 1800–1809; Invoice Book, 1799–1806; Invoice Book, 1806–19, William C. Grasty and John F. Rison Papers.

[34] Letters July 2 and 19, Oct. 10, 1856, *ibid.*

[35] Letters covering years, 1834–36, John and Philip J. Winn Collection, 1780–1892, Duke University Library, Durham.

Groceries, dry goods, and liquor seem to have accounted for most of the wages of their employees.[36] Similar arrangements seem to have been employed occasionally by other southern tobacco manufacturers in the ante-bellum period.

In such cases the store had become a mere adjunct of other agencies dealing in tobacco. The general store which took tobacco in return for goods or which advanced part cash and part merchandise to customers for their crops, and then disposed of the tobacco without letting this aspect of trade affect normal arrangements for receiving wholesale supplies, represented a far more common pattern.

[36] Letter Book, 1845–47, and Factory Book, 1844–45, Halifax County, Va. Records, 1828–1862, University of North Carolina Library, Chapel Hill.

CHAPTER SIX

The Store as a Source of Credit

ALTHOUGH SOME CASH ADVANCES AGAINST FUTURE CROPS reached farmers and small planters through country and interior stores as a result of factorage-storekeeper relationships, the storekeeper's greatest contribution to the credit problem of southern agriculture by all odds was in providing farmers with sufficient dry goods, groceries, and tools for maintenance until the major yearly crops were harvested. As has already been pointed out, virtually all farmers availed themselves of this opportunity, and since it extended over a period of as much as twelve months, the annual total reached millions of dollars worth of merchandise.[1] Since it was mercantile credit in the form of goods, the retailer actually passed on to the farmer the credit facilities which he was able to obtain in the wholesale markets where he purchased supplies. For that reason any discussion of credit which separates wholesalers and retailers ignores the fact that the latter actually were in large part only middlemen in the process of transferring credit from wholesalers to southern farmers.

In addition to being universally followed all over the South this credit system was characterized by the liberality with which it was extended, especially on the part of eastern wholesalers. Early in the nineteenth century experienced clerks could obtain a stock of merchandise primarily on their reputations for honesty and ability. Letters of introduction from storekeepers in their own general locality testifying to their business knowledge and character gave them entrance to eastern wholesale houses. Arthur Tappan and Company of New York City in 1829, for instance, announced in the Huntsville, Alabama, and other southern papers a general policy of welcoming country store-

[1] See Chap. III, 57.

keepers who could obtain "respectable letters," and also offered to introduce such men to other New York wholesalers.[2]

The destruction wrought by the Panic of 1837 encouraged wholesalers to develop more elaborate methods of checking on prospective customers, but liberality continued to characterize their general policy. Even southern country newspapers were inclined to be critical of this, although their own communities benefited by a more generous supply of merchandise. Some felt that more stringent credit restrictions might prevent a repetition of the evils which had accompanied the Panic of 1837. This was the theme of an article printed in a Baton Rouge paper in 1843. A businessman who had visited New York City in the summer months had been surprised to find storekeepers buying merchandise in large quantities. Bearing in mind the recent depression, he had asked a friend for an explanation of the apparent activity in trade. Credit was the answer given. Wholesalers could borrow money at 4 per cent, and goods once more were being advanced to country storekeepers for as much as fifteen months. Many of the businessmen who were following this policy were said to have been clerks in houses that failed in 1837 because of rash credit extension. They expected storekeepers to pay for current purchases at the end of the year; after that, they intended to deal more carefully with repeat orders. The writer argued that once credit was extended it could not be checked, and insisted that all businessmen should watch accounts closely: "It is better to cry over goods than to cry after them." [3]

Warnings of a similar nature continued to appear in newspapers and business periodicals. One visitor to the South in the middle 1850's claimed that eastern wholesalers seemed to be obsessed with the idea of selling goods to second-, third-, and fourth-rate men in all the remote towns and counties of the South. On the basis of his own personal observations he was convinced that most of these storekeepers should never have been recognized in New York City. In his estimation, wholesalers would do better

[2] Huntsville *Southern Advocate,* Dec. 11, 1829. See a similar advertisement of Robert Jaffray and Company, *ibid.,* Jan. 1, 1830. For examples of such letters being written see two letters dated Aug. 23 and one of Sept., 1819, David Clark and Company Letter Book, 1815–20, John Hogg Accounts; letter May 13, 1833, Nelson Papers, 1782–1922, Lawson McGhee Library, Knoxville; letter March 30, 1837, Bryan Papers.

[3] "Business & Credit," Baton Rouge *Gazette,* Nov. 4, 1843.

to give money to the Home Missionary Society since in either case they would simply be helping the South by outright grants.[4]

Although such newspaper and magazine comments did not necessarily represent true conditions, they did demonstrate the extent to which businessmen had become aware of the close relationship between overgenerous credit policies and possible economic collapse. Furthermore, it is highly significant that while eastern wholesalers were criticized for too much generosity in credit matters, southern wholesale centers were recognized as being unable to compete with the East in the matter of credit extension. William Gregg, probably the best-known and most successful ante-bellum southern manufacturer, recognized the most compelling factor here as a relative shortage of credit resources within the South itself. Gregg pointed out, for example, that southern factories often had to send their output to eastern wholesalers because they lacked sufficient local capital to finance the disposal themselves or through southern outlets.[5]

A more popular explanation revolved around the idea of indifference on the part of southern businessmen. A letter in a New Orleans paper in 1854 took this approach. The writer had recently collected a draft drawn by a Tennessee firm on a New Orleans house, the proceeds going to a Baltimore merchant. He raised the question of why a Tennessee storekeeper would go to Baltimore to buy goods with acceptances on a New Orleans firm. The answer, said he, was to be found in the willingness of Baltimore wholesalers to sell goods on a credit of six to twelve months, whereas cash or its equivalent was demanded of purchasers in New Orleans. To remedy this he suggested a modification of Louisiana banking laws.[6] It was not true that cash had to be paid

[4] Article from *Independent* by an unnamed correspondent, "Some Suggestions on Southern Trade," reprinted in *Hunt's Merchants' Magazine,* XXXIV (April, 1856), 522. A Philadelphia paper in 1854 rejoiced over a temporary stringency which was curbing credit extensions in the money market. Wholesalers, said the paper, had been underbidding one another in seeking business. Long-winded buyers from the South and West who had formerly been able to obtain twelve months' credit from only the largest firms, and then by paying interest for the second six had recently been able to obtain the same concession from smaller houses. The latter had found their funds tied up in long-term credit to country stores which could not pay bills within a reasonable time. Article from Philadelphia *Ledger* reprinted in Savannah *Daily Georgian,* Dec. 19, 1854.

[5] See William Gregg, "Southern Patronage to Southern Imports and Southern Industry," a series of articles in *De Bow's Review,* XXIX (July–Dec., 1860), 81.

[6] Letter signed "An Enquirer," New Orleans *Daily Crescent,* March 4, 1854.

for wholesale purchases in New Orleans at this period, and yet credit was not so generously advanced as in eastern cities. As previously indicated, the factorage system perhaps accounted for this in part, as well as the relative shortage of credit in southern cities. Whatever the explanation, it was evident from contemporary newspaper comment, both northern and southern, that people believed credit facilities to be both larger and more generous in eastern cities.

As far as actual credit policies were concerned, business records reveal no fundamental difference between the North and South. Credit could be obtained for the same length of time and at the same rate of interest in both places. The difference that existed was in the quantity of credit available in the North and in the consequent generosity with which policies were interpreted. In a recent study of the credit-rating house of Dun and Bradstreet, Roy A. Foulke, a member of the firm, gives an excellent summary of the common interpretation of credit terms which eastern manufacturers and wholesalers allowed country storekeepers in the ante-bellum period. He points out that the customary credit of one year in the colonial period gave way to a credit of only six months in general in the first third of the nineteenth century, this continuing to be the general policy to the Civil War period. William Endicott, a venerable Boston businessman, for example, said that domestic goods were sold by mill agents to jobbers on a credit of eight months, and the latter in turn sold to retailers on a credit of six.[7] Foulke quotes the conclusions of Edward D. Page to much the same effect: "The records [1861] of my business show that in New York alone there were over three hundred wholesale dry goods merchants selling goods to western and southern retail houses, and financing the merchandise sold for a long enough term to provide for its complete turnover and cash liquidation from the proceeds of the crops. The customary term of that credit was eight months, and one, or at the most two, liquidations per annum were all that were commonly expected." [8]

Business records of southern country and interior stores verify this general picture, but they also reveal a somewhat common

[7] Roy A. Foulke, *The Sinews of American Commerce* (New York, 1941), 153–54.

[8] Edward D. Page, "Single Name Commercial Paper under New Banking System—The Merchant's Viewpoint," *Trust Companies*, XVIII (1914), 206–207, quoted in Foulke, *Sinews of American Commerce*, 156.

error which has developed from relying on the statements of wholesalers alone in interpreting the operation of credit policies. They demonstrate that one must be careful not to confuse credit granted without an interest charge, and credit extensions for still longer periods in which storekeepers paid interest costs. This was perhaps what Page had in mind in speaking of "one, or at the most two, liquidations per annum." Southern business records reveal that eastern wholesalers quite commonly sold their goods on a credit of six months without any interest being charged. Many also permitted country storekeepers to have a full twelve months in which to pay for goods bought on a credit of six. If the storekeeper could pay at the end of six months no interest was charged; if twelve months were needed in which to liquidate an account the storekeeper paid interest for the last six. This longer period was still a matter of credit extension in part since the wholesaler financed the storekeeper for the full period of time. It is necessary therefore in reading eastern tables to bear in mind that these often covered only the period of credit for which *no interest was charged.*

Southern records also indicate that the majority of storekeepers took advantage of the opportunity to extend their wholesale bills to twelve months by paying the interest charge. Many actually made their notes for twelve months at the time goods were obtained, thus announcing an intention to avail themselves of this privilege without even trying to pay in the shorter period. An occasional advertisement of credit policy by an eastern wholesaler in southern country papers gave clear recognition to this practice. In 1831, for instance, F. J. Conant publicized the removal of his New York cloak, stock, and clothing warehouse to a new building. He offered to sell to southern country dealers on six months' time for good notes payable at banks anywhere in the United States, on eight months' time for city acceptances, with 5 per cent off for cash. Those wishing to buy on longer credit would be charged at the rate of 6 per cent on bills running over six months.[9]

As the Civil War approached there was a growing tendency for storekeepers to pay a greater percentage of their bills at the end of six months and also for wholesalers to prefer this. Nonetheless,

[9] Huntsville *Southern Advocate,* April 16, 1831.

the longer period of time was still granted if interest was paid. Southern country store records also demonstrate that variations in interpreting the general credit policies of the period made it easy for southern wholesalers to maintain a much more stringent limitation on quantities of credit furnished and on the administration of this, while at the same time maintaining quite properly that general credit policies in wholesale centers were the same all over the United States.[10] Thus, generous credit con-

[10] William Murrell of Statesburg, South Carolina, in the late 1790's and early 1800's tried to settle with his Charleston agents once a year, a general balancing of accounts taking place shortly after the beginning of the calendar year. He sent crops taken in at his store to Charleston during the course of a year and it would be hard to draw conclusions as to the length of time individual purchases ran without payment. On July 14, 1799, when he changed to a new firm in Charleston, he agreed that accounts should not be allowed to run for more than a year without paying interest on these. Murrell was behind with the old firm, however, and he warned the new house that he might have to ask indulgence on his purchases for the first year. On July 1, 1801, he complained to the auction house with which he dealt in Charleston that some items for which he had paid cash were as expensive as if they had been purchased on a credit of twelve months. His records thus show that country storekeepers received twelve months' credit, and even longer, without paying interest in the Charleston market at the opening of the nineteenth century. Letter Book, 1795–1812, William Murrell Collection.

Walter Selby of Shepherdstown, Virginia, in 1804 and 1805 bought merchandise in the Baltimore and Philadelphia markets on six months' time. This shows the early adoption of the six months' rule. Accounts of Walter Selby for the years 1804–1806, John Hamtranck Papers, 1795–1849, Duke University Library, Durham.

On January 24, 1800, Philip Grasty bought a bill of goods in Petersburg, Virginia, totaling £320 2*s.* 0*d.*, for which he gave a note payable in twelve months with interest after the first six. Thus interest was being charged for the second six months on even sizable purchases at the opening of the century. He obtained goods in Baltimore on September 15, 1815, on which he was given the option of paying with a note at nine months on the bank of Virginia, or a plain note at six months payable in Baltimore. The latter obviously carried with it the privilege of letting the account run for a year by paying interest. On April 12 1814, William Grasty offered to purchase goods from a Lynchburg firm, if he received the usual credit, notes at six months. These obviously carried the privilege of running for a year with interest for the second six months. William C Grasty and John F. Rison Papers.

Stickney and Wilson of Montgomery, Alabama, bought on long-term credit in 1836. On March 30, 1836, they bought shoes totaling $3,074.52 from Halsey Utter and Company, of New York City. They paid interest for six months on the bill by including this in two notes of equal amounts, one payable in eleven and the other in thirteen months. A dry-goods bill of $1,584.62 with D. A. Cushman was paid by two notes of equal amounts, one payable in twelve and the other in fifteen months. Interest for six months was included on the first note and for nine on the other. Some notes were made to run for as long as eighteen months if the borrowers were willing to pay interest after the first six. By their procedure renewals of notes would not be necessary at the end of six months. Their credit was for six months only in the sense that they paid interest after that time in the same way that they would have done on bank credit. Stickney and Wilson Order Book, Stickney and Wilson Business Books, in private possession of Miss Lucharle Wilson, Montgomery, Alabama.

William M. Shute of the same town sent Downen and Company of New York

stituted one of the major factors which gave eastern wholesale centers their attraction for southern country and interior storekeepers.

City a note at six months on February 20, 1835, to cover wholesale purchases which had just arrived. On January 12, 1836, he gave a note at twelve months to Jacobus and Garthwaite of New York. Shute seems to have tried to pay his notes twice a year, thus saving interest. His connections with Sayre, Converse and Company of Mobile, to whom he shipped cotton and against whom he could draw to pay his bills, perhaps made it easier for him to follow such a policy. In a letter to his Mobile agents on August 26, 1836, he apologized for drawing so heavily, but said he had not learned the art of renewing open notes. Credit was easy in this period, however, and his standing was as good as that of Stickney and Wilson. Variation in policy between the two firms was a matter of choice on Shute's part, and he followed the less common course in his decision. William M. Shute Letter Book.

In the 1820's and 1830's the Graham store in Tennessee paid 6 per cent interest on wholesale bills which ran beyond six months. Graham Papers, 1803–1886, Lawson McGhee Library, Knoxville.

Stephen Elliott of Hartford, North Carolina, bought merchandise from Anderson and Goodridge of Norfolk, Virginia, in 1838 with the understanding that he would not let accounts stand for longer than an average of six months. In this case the Norfolk firm apologized for the limit of six months which it was placing on credit by calling attention to the Panic of 1837 and the necessity of liquidating its own obligations. Letter Nov. 15, 1838, Stephen Elliott Papers, 1808–1863, Duke University Library, Durham.

Although the Panic of 1837 led to a general tightening of credit it did not witness the abolition of the twelve-months rule. Lewis C. Hanes of Fulton, North Carolina, on November 13, 1849, bought two orders of merchandise in Baltimore on six months' time, both bills being paid exactly one year later and with interest for the second six months. Lewis C. Hanes Papers.

Cheatham and Moore of Ridgeway, North Carolina, gave a note for $706 at six months to E. D. Bent of New York City on September 21, 1859. Part of this was paid at the end of six months, but $317.90 ran for another six, and on this the North Carolina firm paid interest. This was true also of another note to a New York firm made on March 21, 1859. Cheatham and Moore Papers.

In the spring of 1861 eastern wholesale houses were anxious to collect as much as possible in the South before hostilities completely interrupted business. R. Ashurst and Sons of Philadelphia thus asked payment on a note for goods from Taylor and McEwen of Memphis. The latter called attention in a letter on May 15, 1861, to the fact that they had been given permission by the Philadelphia house to let the note run a second six months by paying interest for the extension. McEwen and Hornsby of Kingston, Tennessee, on March 20, 1861, notified the Ashursts in reply to a demand for payment that they had an understanding with most Philadelphia houses to the effect that notes made payable in six months could run for a year if this proved to be the most convenient method of settlement. On this basis one of their notes would not be due until the current date, and a second not until the following September. On the other hand, a letter of Estes, Randolph and Company of Montezuma, Tennessee, on February 6, 1861, concerning a demand for payment to the Ashursts, claimed that they followed a policy of not letting notes run more than six months. Short crops and war talk made money scarce for the time being, but a member of the firm expected to be in Philadelphia in the spring to straighten matters out. These three letters are in an unmarked folder in the Tennessee State Library. They represent the fact that credit was available for twelve months from eastern wholesale houses in 1861, that this was not an unusual policy at the time, and that some firms apparently were going over to payments every six months.

The latter displayed the same liberality in dealing with their customers. As previously indicated, they granted a full year's credit on goods sold in January, and this frequently meant fourteen or fifteen months since crop returns might not be available in less time. Farmers were not compelled to pay interest on accounts which were settled within the year, although, of course, their bills reflected whatever interest charges storekeepers had to meet in wholesale centers. Farm accounts could be promptly met when crops were satisfactory and prices normal, but this condition did not exist at various periods in the history of the ante-bellum South. Although stores could not carry accounts for longer than a year as a rule, there seems to have been a clear recognition of the fact that farmers could not pay when weather and prices were adverse. An occasional storekeeper with sufficient resources to extend the credit period in such times would announce an intention of carrying all reliable customers for a second year.[11] If the current hard times proved only temporary the policy worked out, but in long periods of depression it only added to the tremendous loss suffered by wholesalers and retailers alike.

Liquidations occasioned by the Panic of 1837 and the resulting depression demonstrated how generously credit had been extended all along the line. Store after store failed, and even immediate statements of assets reflected the dangerous expansion which had occurred. Tarleton and Tyler of Montgomery, Alabama, thus provided a local attorney with an estimate of their financial position on November 1, 1837. Book accounts at the time totaled a little over $4,000, and notes for accounts which had not been paid when due $27,976.94. This firm obviously had been able to collect only a small percentage of its farm accounts at the end of a year, and this in a period when the first blow of the Panic of 1837 had not as yet fully developed. Even if all the book accounts and notes for unpaid bills were good—an obvious improbability—and other property belonging to the partnership was accepted at the inflated values of the time, the store still had assets of only $63,865.32 to balance debts of $76,900.00. A large part of the latter was for eastern wholesale bills.[12]

[11] See advertisement of the Andrews Store in Huntsville *Democrat*, Jan. 6, 1836.
[12] Memorandum Nov. 1, 1837, and letter of same date to Weed and Little,

The liquidation of the firm of Taylor and Hodge of Satartia, Mississippi, demonstrated how book assets disappeared in the course of liquidation. When they accepted bankruptcy they owed $27,671.72 to twenty-one eastern firms, most of which were located in Boston. After judgments against their own customers had been obtained in Circuit Court at Yazoo City they listed assets of $57,104.05. These seemed to be mostly in the form of customer notes for $27,507.24, open accounts for $6,975.11, and judgments for $16,126.03. Although this record demonstrated an alarmingly slow rate of payment by local customers, book assets seemed ample to reimburse all creditors after complete liquidation.

Taylor and Hodge surrendered their assets to the Boston creditors with considerable more alacrity than the latter displayed in accepting them. Perhaps the action of rural debtors around Satartia accounted for this; at least, one of Taylor's friends wrote to him in 1841 and expressed the hope that all of the latter's "friends" who were heading for Texas had left and that the remainder intended to act the part of honest men. These were times, said his correspondent, when "rogues grow fat in ease & independence whilst honest men grow lack & lean from very honesty."

As late as 1847 Boston creditors of Taylor and Hodge attempted to realize something on the wholesale accounts which they had furnished the Mississippi store. Taylor again proffered customer accounts owed to Taylor and Hodge but the representative of the eastern creditors doubted if the whole list was worth more than $100 in cash.[13] In the end the creditors seem to have realized only a small part of the sums which they had advanced to Taylor and Hodge in the form of merchandise. The specific examples just cited could be buttressed with similar illustrations from other southern states. They constitute the record of experienced storekeepers of some years' standing. In both cases the men involved were honest and their business affairs were no more expanded than those of hundreds of others all over the South.

Crommelin Papers. See Stickney and Wilson Liquidation Book, 1838, for another firm with similar financial conditions.

[13] Statement of obligations Aug. 12, 1839; statement of assets Jan. 1, 1840; letters Aug. 10, 1841 and Jan. 14, 1847, Calvin Taylor and Family Collection.

Eastern creditors were naturally greatly disturbed by the enormous losses which they suffered in the South but returned to generous credit policies as soon as the first blow of the Panic of 1837 had passed. Only those who had been compelled to liquidate their own business because of southern losses seem to have remembered the troubles through which they had recently passed. One of these was Robert Jaffray and Company of New York City which had to close out in the 1840's. This firm apparently expected eastern wholesalers to restrict southern credit as a means of forcing country and interior stores in that section to meet old bills before receiving additional favors. Their disgust at the ease with which goods were being obtained, however, was expressed in a letter of April 24, 1843, to a Montgomery collection attorney who was trying to realize something for them on their old accounts: ". . . it is good news for you to know that the *prudent* Jobbers of this city have, after all their bitter experience, trusted Alabama this spring as wildly as ever; & will probably do so much more extensively next Season, when we look for a crowd of similar dealers, emboldened by the unlooked for success of the pioneers that have just left us. A large proportion of these debts will have to be collected by Lawyers." [14]

This universal and generous credit system quite obviously had a third characteristic: it was also costly. Markups on original costs of merchandise to wholesalers in coastal cities, both northern and southern, were extremely high in terms of modern practices, and retailers then added approximately the same markup before goods reached the hands of the ultimate consumer.[15] Transportation costs and the slow turnover of goods supplemented the credit system in accounting for this tendency, but the evidence is clear that credit did play a major part in accounting for the high cost of merchandise.

Attention has been called to the contemporary estimate that stores counted on an annual average loss of about 20 per cent on credit sales, which necessitated the charging of higher prices to cover this. Mercantile records tend to substantiate this estimate. For example, the firm of J. S. Bryan and Company ceased operations on November 10, 1828, and each partner assumed a share

[14] Crommelin Papers.

[15] See Chap. VII for a discussion of markups and other factors controlling these.

of the loss on book accounts. Customer notes considered solvent totaled \$1,238.02, and the "doubtful and desperate" ones were listed at \$500.75.[16] In this case approximately one third of all accounts which had run long enough to require a settlement by note were considered virtually worthless. The illustrations already cited in regard to the Panic of 1837 demonstrate how large the loss on bad debts could be in abnormal times.

Hidden factors such as interest charges, bookkeeping costs, and the supervision and investigation involved in a credit system, elementary as this might be, added to the burden. Wholesalers recognized this by granting from 2 per cent to 5 per cent off on goods purchased for cash,[17] and retailers frequently promised substantial even if vague reductions to cash customers. The 6 per cent interest charge which wholesalers exacted on accounts that ran beyond six months also added to the costs of the credit system.

Probably most important of all was the limitation which the necessity of buying wholesale supplies on credit placed on country storekeepers in their choice of agents with whom they would deal. Eastern cities, particularly New York, gained much patronage because of the cash auction system which operated along with other outlets for merchandise. Every year European and American manufacturers placed quantities of goods in the hands of auctioneers for sale to the highest bidder on regularly advertised auction days, these often consisting of merchandise which had to be "dumped" on the market because of various difficulties which had arisen.

Since this practice prevented American wholesalers from obtaining complete control of the import trade and also had certain bad influences on the stability of prices, it was widely opposed by American businessmen. An attempt was made to persuade Congress to legislate against the practice, and a great many arguments were advanced to curb the popularity of such sales, but auctions continued to hold a prominent place. Private records of

[16] See Chap. III, 53. Bryan statement in Thomas Devereux Hogg Papers, 1811–1870, University of North Carolina Library, Chapel Hill.

[17] See purchases of Hugh Graham at Baltimore in the 1820's with 5 per cent off for cash, Graham Papers; also wholesale purchases in Charleston in the 1840's and 1850's with from 2 per cent to 5 per cent off for cash, Russell Collection of Jackson-Pryor Papers.

eastern businessmen show that much of their opposition to the system came because goods often could be obtained in that manner at much lower rates than through regular wholesale channels.[18]

Southern storekeepers who visited eastern cities no more than twice a year could not take full advantage of the auctions even if they had cash resources to buy all their goods in that manner. Nonetheless, they often managed to purchase some merchandise at the auctions. Competitors who were unable to do likewise claimed that goods sold through such channels were seconds, or "tender goods," which would not move in the regular channels of trade. In spite of this, southern stores which had agents in eastern cities to obtain goods regularly throughout the year boasted of cheap purchases at the auctions,[19] and country and interior storekeepers who obtained limited quantities of merchandise in this way publicized such goods in their local advertising.[20] Such a policy was natural when even southern seaboard businessmen advertised the virtues of goods which they had acquired in that manner. Cullen and Smith, of Mobile, Alabama, for instance, in 1846 called attention to the richest assortment of Parisian goods ever offered in the local market. Many had been bought at the recent auctions in New York City, where prices had been lower than on any goods offered at auction since the Panic of 1837, and the local firm thus claimed that it could sell as cheaply as any house in Mobile or New Orleans.[21]

Auction houses also operated in southern cities but could not rival their eastern competitors because English and European goods intended for quick sale were sent to the larger eastern cities where buyers were to be found in greater numbers.[22] In the ag-

[18] See Lewis E. Atherton, "Auctions as a Threat to American Business in the Eighteen Twenties and Thirties," *Bulletin of the Business Historical Society,* XI (1937), 104–107, for a brief account of legislative and mercantile opposition to auctions, their general advantages, and how they were conducted.

[19] See Atherton, *The Pioneer Merchant in Mid-America,* 59, for a discussion of auction goods as seconds. See advertisement of Andrews and Brothers, Huntsville *Southern Advocate,* Jan. 29, 1831, and of the "Philadelphia Cheap Cash Store," Baton Rouge *Weekly Gazette and Comet,* March 9, 1857.

[20] Advertisement of A. Simpson in Columbus (Miss.) *Democrat,* Oct. 30, 1841, and of Stewart and Company of Norfolk, Virginia, in *American and Norfolk and Portsmouth Commercial Advertiser,* Oct. 27, 1856.

[21] Mobile *Herald and Tribune,* Oct. 29, 1846.

[22] Storekeepers occasionally did obtain bargains at southern auctions. See letter Oct. 27, 1804, Letter Book, 1803–1808, John Hogg Accounts; letter Jan. 19, 1825,

gregate, southern auction houses offered a wide variety of goods, everything from oil paintings and sewing machines with melodeon attachments to staple items in dry goods, clothing, and groceries. Country storekeepers seldom included a statement that they had bought at auction in southern towns in their advertising appeals, however, as they were prone to do when merchandise had been obtained in this manner in the East, a clear indication that the northern auctions constituted one of the strongest links in the chain which bound so many southern storekeepers to eastern markets. Furthermore, the advertising of auction-bought goods when most merchandise had been obtained on credit through regular wholesale channels indicated a realization on the part of southern storekeepers and their customers of the costs of the credit system.

In spite of this, little was done in the direction of trying to escape from credit sales. The penalty for buying on credit was obvious when eastern wholesalers advertised directly in southern country papers the reductions which they would give on cash sales. Advertisements of "cash" stores appeared quite early in the South. King's Cash Store in Montgomery claimed in 1832 to be one of the very few real cash stores in the state.[23] The Panic of 1837 and the credit difficulties which it revealed naturally stimu-

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Lea Papers, 1812–1880, University of North Carolina Library, Chapel Hill.

Nonetheless, the volume of business transacted at auction was small in comparison with that in the North. An auctioneer at Selma, Alabama, in 1831 explained his failure to report sales to the state comptroller on the grounds that auctioneers in interior counties did not have sufficient sales to justify this. Letter Dec. 21, 1831, Reports on Auction Sales to State Comptroller for 1831, Alabama Dept. of Archives and History, Montgomery. Some firms like Robertson, Beal and Company of Mobile seem to have auctioned better than $100,000 worth of merchandise a year, but their offering varied greatly. From November, 1834, to April, 1835, they sold such diverse things as a Mobile residence and lots, coffee, dry goods, part of the stock of a country store, four hundred casks of lime, fifty-four bales of damaged cotton, clothing, sheeting, thirty dozen men's hats, damaged rice, slaves, steamboats, eleven mules, and an oil painting. List of items taken from the frequent advertisements of the firm in the daily Mobile *Commercial Register and Patriot* for Nov.–Dec., 1834, and from *Mobile Commercial Register and Patriot for the Country,* Jan.–April, 1835. The estimate of their annual business is based on their report, Report on Auction Sales to State Comptroller for 1835. Country storekeepers obviously could have obtained bargains in limited fields by being present at exactly the right time, but the sporadic nature of southern auction business and the almost complete absence of sales of foreign importations at these prevented them from being serious competitors with northern auctions.

[23] Montgomery *Alabama Journal,* Feb. 4, 1832.

lated the trend toward cash advertising, with an emphasis on low prices, freedom from the "ceaseless ravages of a moth called interest," and release from the worry which credit sales occasioned all along the line.[24] Most of the merchants seem to have recognized that the credit system was grounded in necessity if business was to continue at current volumes and to have limited themselves to advertising cheaper prices for the favored few who could pay cash.

Greater effort was directed toward the collection of accounts. Newspaper advertisements demanding payment of store bills were common throughout the period, and displayed considerable ingenuity in approaching the subject except in periods of crisis, such as the depression following the Panic of 1837, when demands were outspoken. A Liberty, Mississippi, firm in 1839, for example, came directly to the point: "NOTICE, No Mistake in This!!! The First of January has come at last, and we are compelled to have money; we look to our former customers to relieve our wants. We sold our goods with the expectation of having our pay the 1st of January, 1839—all those who do not comply with our agreement must expect to find their accounts lodged in other hands for collection, before the return day is out in February next." [25]

A Montgomery store which was less hard pressed in 1846 announced all open book accounts as due on April 1, and added, "Pay up! Pay up! you rascals *every Mother's son of you;* then I will call you Gentlemen, as I believe in truth most of you are." [26] Personal solicitation seems to have been more effective than advertisements, and storekeepers did not let inclement weather around the first of the year prevent them from riding out through the country to talk with doubtful customers. Such measures were supplemented by personal letters and notes, and by the presentation of past accounts, which had been drawn off from the yearly business records, when customers visited the store.[27]

[24] Advertisement of Nirdlinger Bro. & Houseman, Huntsville *Democrat,* Oct. 12, 1843; advertisement of Thomas D. Neal in Danville (Va.) *Reporter,* May 29, 1840. Similar advertisements appeared to the time of the Civil War. See advertisement of Jacob Walker in Alexandria *Louisiana Democrat,* July 13, 1859.

[25] Liberty (Miss.) *Piney Woods Planter,* Jan. 19, 1839.

[26] Advertisement of D. Woodruff and Olcott, Montgomery *State Journal & Flag,* March 27, 1846.

[27] Letter March 11, 1797, Letter Book, 1795–1812, William Murrell Collection;

When all these failed it was customary to ask for a note to secure the account, and action on this was generally postponed for another year. Deeds of trust were also widely used, employers occasionally entering blank forms of legal trust deeds in the back of mercantile journals so clerks would have no trouble in drawing these in proper manner.[28] A trust deed drawn in 1840 indicates the security sometimes asked in these. James A. Hewitt in this case offered the following property in security for a store account of $127.50 which had run beyond the payment period: three cows, fifteen sheep, twenty geese, forty-seven hogs, one clock, one loom, one bed, and all other furniture in his possession.[29]

Wholesalers likewise devoted more attention to the collection of accounts than to efforts to develop a cash system of purchasing. Early in the nineteenth century eastern firms relied heavily on storekeepers to furnish information about other businessmen in their communities to whom goods had been sold on credit. Friendly relations with one man in a distant southern community served to provide information on bankruptcies, business prospects, and, in particular, the status of stores that had let their wholesale bills run beyond the normal period.[30] No money seems to have been paid out for this service, but ample opportunities existed for wholesalers to reward their correspondents in indirect ways.

By the early 1830's representatives of eastern firms traveled widely in the South for a number of purposes, such as the building of good will, the encouragement of patronage, the collection of information on customers, and the settlement of overdue accounts.[31] Although more expensive than earlier procedures, this

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January entries in Diary, 1861 of Thomas Webber of Byhalia, Mississippi; letter Jan. 23, 1844, Bieller-Snyder Papers. The Thomas Webber Diary is in the Duke University Library, Durham, while the Bieller-Snyder Papers are at Louisiana State University, Baton Rouge.

[28] Journal, 1840–41, A. and T. Holland Business Books.

[29] Trust deed dated Feb. 20, 1840, Graham Papers.

[30] Letters dated July 9 and Sept. 13, 1831; Nov. 30, 1832; March 21 and June 7, 1833; and April 15 and 28, 1835, Letters of Joseph P. Brown, Tennessee State Library, Nashville.

[31] Letters Dec. 1, 1834 and Jan. 16, 1836, Letter Book of William M. Shute. For a fuller treatment see the writer's article, "Predecessors of the Commercial Drummer in the Old South," *Bulletin of the Business Historical Society,* XXI (1947), 17–24.

system undoubtedly proved more reliable. Its cost and a growing realization on the part of eastern wholesalers that they should know more about the financial standing of storekeepers with whom they dealt led to the development of credit-rating agencies in the 1840's, one of which became the modern Dun and Bradstreet.[32]

These concerns also were bothered with the matter of costs in their formative years, and all seem to have relied on lawyers to furnish the necessary information on storekeepers. In return for such service the attorneys were given any business involving collection of accounts which passed through the hands of the credit-rating organizations. The latter also furnished lawyers with information concerning legal business likely to arise in the mercantile field in their own communities.[33] Much hostility to credit-rating bureaus developed in southern states, and the tone of newspaper comment was distinctly unfavorable. The Baton Rouge paper in 1854, for instance, spoke of them as "Commercial Inquisitions": "Talk of Vidocq or Fuche police—Japanese espionage—damnable leechers and hireling bloodsuckers; it is all honorable—legitimate—and proper in the place of this most villainous inquisition." [34]

Because of such opposition and also because of necessary experimentation to determine the best methods of procedure the newer schemes of credit rating made headway slowly. The information of the credit-rating bureaus was supplemented by reports on southern stores obtained by wholesalers from country storekeepers who traded with them, by information available from southern lawyers not connected with the bureaus but who engaged heavily in the collection of mercantile accounts,[35] and

[32] See Foulke, *Sinews of Commerce, passim.*, for an account of the early history of credit agencies.

[33] See letters dated Nov. 13 and 28, 1848; Jan. 26, April 3 and 20, May 3, and Sept. 12, 1849, Bieller-Snyder Papers. Also letters dated April 6 and 27, Aug. 21 and Sept. 3, 1847; and Feb. 2, 1848, John W. Ellis Papers, 1842–61, University of North Carolina Library, Chapel Hill.

[34] Baton Rouge *Weekly Comet*, July 2, 1854. For a fuller treatment of this subject see the writer's article, "The Problem of Credit Rating in the Ante-Bellum South," *Journal of Southern History*, XII (1946), 534–56.

[35] See letters dated March 27, 1837, and March 15, 1852, to James W. Bryan seeking to obtain his services in reporting credit rating of storekeepers in his general area to credit-rating bureaus in the East. Bryan never accepted such connections, although his papers show that he did a great deal of collecting for eastern wholesale houses. Bryan Papers.

by reports of representatives sent out directly by wholesalers themselves.

By the 1850's, therefore, the number of avenues for checking on the credit standing of southern storekeepers had increased greatly, and wholesalers could pass on requests with considerably more information available than was possible before. Nonetheless, wholesalers continued to extend credit with a generous hand, and the methods available for tightening credit extension through intelligent selection of good risks were not employed as fully as their development warranted.

When southern stores failed to pay, a somewhat routine procedure was followed by wholesalers in collecting their accounts. Local lawyers were instructed to obtain security on notes which had run beyond the normal period. Suits constituted the next step unless storekeepers had become so involved that liquidation was necessary. In that case all assets were assigned to the benefit of creditors and they were paid in whatever ratio the property justified.[36] Wholesalers seem to have dreaded most of all the acquiring of real estate in southern communities in settlement of accounts and generally preferred sustaining a heavy loss through an immediate cash liquidation rather than trying to manage property at a great distance in the hope of saving more in the end.[37] Quite obviously, however, throughout the whole of the period, wholesale bills were secured largely by book accounts, notes for accounts which had run beyond a year, and court judgments which southern storekeepers held against their own customers. In other words, when all middle transactions are eliminated, the eastern wholesaler actually furnished the southern farmer with credit on which to operate and accepted as security a lien on the farmer's crop.

Closely connected with credit as a factor in drawing southern country and interior storekeepers to eastern markets was the matter of price. Since credit was so essential to the operation of the rural southern economy, businessmen in that section naturally turned to agencies which furnished it on generous terms, but they also were interested in obtaining the greatest possible volume of credit through cheaper prices on goods or in

36 Letters Nov. 9 and 23, 1833, *ibid.*
37 Letters March 8, 10, and 30, 1830; and July 12, 1831, *ibid.*

escaping the necessity of credit at all by the same procedure. Records of southern storekeepers demonstrate virtually without exception their conviction that goods could be bought more cheaply in eastern markets. An occasional storekeeper might testify differently at some southern commercial convention through motives of sectional patriotism, but in his business records, where he had to be honest with himself, he admitted quite willingly the superiority of eastern markets. William M. Shute, for instance, constantly used the rates which he paid in New York City as a means of driving down prices quoted to him by Mobile wholesalers. He obviously found clothing and hardware decidedly cheaper in the eastern city and bought in Mobile only when necessary. Trips to New York twice a year to purchase sizable quantities of merchandise enabled him to speak definitely and with considerable authority on matters of price. Thus in 1836 he was able to point out that a consignment of grub hoes from Mobile had cost $8.50, whereas the New York price was $6.50. At the moment he was willing to wait to see if Mobile prices would be lowered for him before he decided as to whether price or his immediate need for the hoes should be paramount.[38]

[38] Letters Dec. 5, 1834; Dec. 2, 1835; and Feb. 4, 1836, illustrate the numerous references to superior advantages of eastern prices in Shute's Letter Book. See also letter April 20, 1837, David Campbell Collection, 1773–1908, Duke University Library, Durham; and letters June 28, 1841 and March 21, 1848, John Bullock Papers, 1760–1882, University of North Carolina Library, Chapel Hill, for other illustrations.

Price currents and price data in regular papers seemingly offer the modern student an opportunity to settle the relative advantages of different wholesale markets by constructing price curves on the basis of these. Such studies have some advantages in analyzing markets over a period of years. Their weaknesses can be demonstrated from almost any contemporary price table. In 1842, for instance, *Hunt's Merchants' Magazine*, VII (Aug., 1842), 185–86, listed the following wholesale prices on Cuban coffee in various cities; Boston 7½ to 9; New York City 8 to 9; Baltimore 9 to 9½; Charleston 9¼ to 9½; Mobile 13 to 14; New Orleans 8¾ to 9; St. Louis 11 to 12; Cincinnati 11. The price ranges quoted here were no larger than those ordinarily given, and unless one knew the basis on which the range was drawn for each city he could not pass judgment on the relative cheapness of each. Certainly, the tendency to strike an average for each city does serious injustice to accuracy, since this was no indication of where major sales fell within the price range. Hunt himself pointed out that Mobile prices were high because of the depreciated currency in circulation there. If this were taken into account, conceivably Mobile prices at the time were cheapest of all. The prices were given for the month of August and probably changed radically within a short time. New Orleans was still experiencing the summer-trade recession which was typical of southern cities; whereas southern storekeepers who purchased goods

In addition to the previously mentioned superiority in auctions, a number of factors accounted for this price supremacy of eastern wholesale markets. One of these was the far greater volume of English and European goods imported through eastern cities. Earlier in the nineteenth century southern ports had received a relatively large amount of this trade. At Savannah, Georgia, in 1802, for instance, arrivals of ships with goods from England, Holland, Scotland, and a variety of other foreign sources were frequently announced.[39] This direct importation rapidly declined with the passage of time, and both northern and southern businessmen were aware of the change. In 1839 *Hunt's Merchants' Magazine* of New York cited figures from the recent Charleston commercial convention. In 1832, said the article, the foreign imports of New York City were seventy times as great as in 1769, and nearly twenty times larger than in 1791. Virginia, on the other hand, imported about one eleventh of what she did in 1769, and one seventh of the figure for 1791. New York imports alone in 1832 had been eleven times the total for Virginia in the preceding eight years and about four times that of South Carolina for the same span of time.[40]

English-emigrant businessmen had helped build up New York City during these years. Yorkshire cloth traders settled there, for instance, and diverted part of their efforts to establishing the Black Ball Line of packets which began regular periodical sailings between New York City and foreign ports in January, 1818. It is significant that the first of these to leave from an English port carried a large cargo of dry goods for the New York market. This regular system of transportation to and from foreign ports needed eastward cargoes to sustain it. Since the states around

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in the East were buying there in quantity in August. New Orleans coffee prices were most significant in the fall and winter months when storekeepers were buying in this city; they were less significant in certain northern cities at that time because wholesale purchases lessened in certain winter months there. Furthermore, such tables ignore major forms of outlet for merchandise such as the New York City auctions. These provided, according to mercantile testimony of a most reliable sort, the cheapest source of goods available. Price studies have to be handled with the greatest care and in collaboration with other supporting evidence if they are to be accepted as testimony.

39 Savannah *Georgia Republican & State Intelligencer*, Sept. 4, 1802, and subsequent issues.

40 "Decline of Southern Commerce," *Hunt's Merchants' Magazine*, I (July, 1839), 90–91.

New York produced little for this until free trade opened British ports to American produce, the owners of the Black Ball Line turned their attention to southern staples as a solution of the problem of eastward cargoes. These southern commodities were brought to New York and thus provided sufficient cargoes to sustain the experiment in regular and reasonably rapid methods of transportation. The completion of the Erie Canal in 1825 and the later opening of English markets to American produce without tariff restrictions contributed still more to the growth of New York City and to the volume of merchandise handled there,[41] which in turn attracted still more southern patronage.

As already indicated, southern businessmen did not watch this growth of eastern business complacently. They interpreted it as a factor in what they considered a decline of southern business and sought through the southern commercial conventions and organizations of businessmen in individual southern coastal towns to check the trend. In part, however, their analysis of the situation was incorrect. Direct importation of foreign goods to southern ports was declining, but this did not necessarily reflect a decline in *southern* business. As long as English businessmen held supremacy in southern trade their ships naturally exported goods directly to southern ports and accepted southern staples in return. The American Revolution had helped break this supremacy, and other factors continued to operate to the same purpose. What southerners were witnessing in large part in the decline of direct importations through southern ports was the replacement of English businessmen in this field by eastern businessmen. It was not a case of southern business declining; southern business had never had control of mercantile importations to any extent. The defeated members in this contest consisted of English firms which had formerly dominated direct southern imports; southern businessmen would have been correct if they had said that they wanted to share in this business, but they were incorrect in saying that they had lost their foreign trade. Since eastern merchants defeated experienced and already established English traders in this contest it seems obvious that

[41] Herbert Heaton, "Yorkshire Cloth Traders in the United States, 1770–1840," *Thoresby Society, Leeds, Publications*, XXXVII (1941), Part III, 260–64. Professor Heaton cites R. G. Albion's *The Rise of New York Port, 1815–1860* (New York, 1937), in confirmation of the general development of packet lines.

they handled the business more cheaply, at least in the absence of any evidence of monopolistic aids or criminal methods as explanations of their success. Southern capital, on the other hand, continued to flow primarily into the cultivation of sugar and cotton, the two new staples. In a few years 3 per cent of the world's land mass located in the southern United States would be producing up to 75 per cent of the world's cotton supply. Here again, viewed in its broader aspects, the direction which southern economy took in the sixty years preceding the Civil War seems most understandable in terms of the principle of comparative advantage, of doing that which offered the greatest economic return.

Since a large part of the merchandise handled by southern-seaboard wholesalers had been obtained from importers in eastern cities, storekeepers were right in feeling that it was possible to save money by buying directly in eastern markets, thereby eliminating the middleman's charges and profits which had to be paid to southern businessmen when goods were purchased through them. Eastern wholesalers publicized the arrival of goods directly from England and France as one of the drawing cards for southern storekeepers,[42] and the latter continually emphasized their connections with primary sources of supply when they had been able to purchase directly in eastern markets. In 1860 William Gregg claimed that it had been common for years for village storekeepers who lacked sufficient resources to justify eastern buying to request Charleston wholesalers to obliterate all marks on boxes of merchandise purchased in that city. In that way they could partially conceal their embarrassment over having not been able to buy in New York City. Widespread sentiment prevailed in the South in favor of eastern goods and this provided "quite a plume in the cap" of the storekeeper who could say that his merchandise had been obtained in the East.[43]

Eastern wholesale markets were also strengthened by proximity to the major centers of American manufactures. These naturally found an outlet through large cities close at hand, and here again the southern wholesaler was at a disadvantage. Ad-

[42] Arthur Tappan and Company advertisement, Huntsville *Southern Advocate*, Dec. 11, 1829.

[43] See p. 776 of Gregg articles cited in footnote 5, *supra*.

vertisements of southern firms who represented eastern manufacturers were quite common,[44] and these often advertised goods at factory prices plus transportation costs. Nonetheless, it was impossible to defeat the idea that storekeepers could do better on domestic manufactures by purchasing these from eastern agents located only a short distance from the factories.

The East also proved attractive with the passage of time because of the wider variety of goods from which to choose. The importance of this factor is evident in the argument frequently advanced at southern commercial conventions that while southern cities had more limited stocks of goods from which to choose, storekeepers would be equally as well served as in the North because southern wholesalers knew southern demands and stocked merchandise particularly adapted to the South. Northern wholesalers, on the other hand, advertised their large and specialized holdings of merchandise in southern papers.[45] Storekeepers as a rule took full advantage of the opportunity to "shop" when they visited wholesale centers. Even when they did not intend to purchase a specific type of goods they liked to examine the articles in the interest of increased knowledge. They apparently also felt that savings could be effected by distributing their buying among a number of wholesalers. Within fifteen days in the fall of 1836, for instance, one of the partners in the firm of Stickney and Wilson of Montgomery bought goods from sixteen different eastern houses in amounts ranging from $90 to $1,600.[46] Members of this firm often visited several eastern cities on the same buying trip to examine the relative advantages of each.

Eastern business firms also displayed an aggressive policy in their pursuit of business. Eastern papers addressed notices to "southern and western merchants" in their metropolitan editions during the time when storekeepers were present on purchasing trips.[47] Letters, circulars, and advertising in southern country

[44] Advertisement of Orramell Tower, Mobile *Commercial Register*, Jan. 5, 1828; advertisement of Burke and Montgomery of Natchez, Natchez *Southern Galaxy*, April 29, 1830.

[45] Advertisement of Judson and Lee of New York City, Baton Rouge *Gazette*, Aug. 14, 1847.

[46] Stickney and Wilson Order Book. For other examples see letters March 6 and April 1, 1836, David Campbell Collection; letter March 21, 1848, John Bullock Papers; George W. F. Harper Diary, 1857–59, George W. F. Harper Papers.

[47] See advertisement of J. and M. Saunders, of several silk-hat concerns, and

papers facilitated the establishment of new connections and served to retain those already made.[48] Wholesale houses made a practice of stationing "borers or drummers" at leading eastern hotels to display goods to visiting buyers and to urge them to patronize their employers, a custom which some visitors found irksome.[49] Such procedures seem to have increased in intensity as the volume of trade expanded. A retired merchant writing in 1848 contrasted his own period with current business practices. In his day, said he, merchants would have considered it disreputable to watch the stagecoaches and taverns to pick up new customers, but now the custom was well entrenched. Even storekeepers and artisans had been swept up in the competitive urge of modern business and cluttered up private residences with a flood of handbills; some even dared ring doorbells and place their advertisements in the hands of servants.[50]

The aggressiveness of some houses in seeking business is demonstrated by the policies of Boyd, Heard and Bryan in the early months of their career as a wholesale firm, when they were attempting to establish connections with southern storekeepers who visited New York City to purchase merchandise. Bryan as a southerner was urged by his partners to write letters to all of his business acquaintances. Boyd devoted his evenings to drumming expeditions to local hotels to meet country storekeepers who had just arrived. Plans were being made to send one of the clerks, a Mr. Hare, to Kentucky for a time, and if he did not line up some good customers for the spring season the partners expected to give him his "walking papers." Poor Mr.

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editorial in Philadelphia *Public Ledger,* March 25, 1836; advertisements of Adam Spies and of Doremus, Suydams and Nixon, New York *Evening Post,* Jan. 12, 1835.

48 Circular letter Jan. 19, 1850, Lewis C. Hanes Papers; letter July 1, 1857, William C. Grasty and John F. Rison Papers. F. J. Conant ran the same advertisement in 1831 in the following papers: Knoxville *Register,* May 11, 1831; Huntsville *Southern Advocate,* April 16, 1831; Salisbury *Western Carolinian,* June 13, 1831; Macon *Telegraph,* May 7, 1831; Athens *Athenian,* July 5, 1831. The advertisement quite possibly appeared in many other papers which the writer did not investigate or in which he overlooked the notice. Group announcements of eastern firms in southern papers were common, as many as forty firms combining to pay for these. See Montgomery *State Journal & Flag,* Aug. 7, 1846, and Camden (S. C.) *Journal,* Sept. 9, 1846.

49 Luke Shortfield (J. B. Jones), *The Western Merchant* (Philadelphia, 1849), 168.

50 "A Boston Merchant, Passages in the Life of a Merchant: Including some Anecdotes, Hints, and Maxims, that may be useful to Young Men about to Commence Business, etc.," *Hunt's Merchants' Magazine,* XVIII (May, 1848), 506–10.

Hare had been spending his evenings on drumming expeditions to New York City hotels after working long hours during the day at the headquarters of the firm and perhaps deserved more consideration than the partners seemed willing to give. It was to be a "go-getting" firm, however, and salesmen were expected to deliver or give way to those who could. Such efforts alone did not assure success, as Boyd, Heard and Bryan went under in the Panic of 1837, but aggressive policies did characterize business activity in eastern cities.[51]

Eastern markets also profited from the fact that a considerable number of men from that section had migrated to the South to operate stores and naturally retained an interest in their original states. Herbert Weaver in his study of Natchez, based on unpublished manuscript census returns, has pointed out that in 1850 over half the population had been born outside Mississippi and that well over a third were of foreign birth. More Yankees were present than non-Mississippi southerners. Of the 4,680 inhabitants in 1850, Massachusetts had furnished 71, Pennsylvania 122, and New York 162. While the rural population of the state consisted largely of people from other southern agricultural areas, the businessmen came largely from the North or foreign countries.[52]

The importance of this is evident in mercantile records. Horace Carpenter, for instance, moved to Port Gibson, Mississippi, from his Connecticut home and operated a store there for the rest of his life. His marriage to a southern girl and a fair measure of business success bound him to his adopted state. Nonetheless, his letters revealed a longing to run a plow in Connecticut soil once again, to sit by the fireside and experience the pleasures of a Connecticut hickory fire on a cold winter night, and to see his eastern relatives more often than travel difficulties and business obligations permitted. Carpenter always tried to see his relatives when he made trips to the East to purchase goods, and to him such journeys held an attraction far beyond the ap-

[51] Numerous letters covering the period May, 1836, through August, 1839, describe policies and activities of this firm, Bryan Papers.

[52] Other Mississippi towns like Jackson, Pass Christian, and Columbus followed the Natchez pattern. Herbert Weaver, "The Agricultural Population of Mississippi, 1850–1860," pp. 23, 26.

peal of economic factors.[53] Similarly, Calvin Taylor came to Mississippi some time in the late 1820's or early 1830's to operate a store at Satartia. The death of his first wife necessitated his leaving the children with relatives at his old home in Hinsdale, New Hampshire, for a time, and he obviously must have found much pleasure in seeing them on trips made to purchase eastern goods for the Satartia store.[54]

In spite of the many advantages possessed by eastern wholesalers, they were unable to monopolize the patronage of southern country and interior stores. Part of this came from the decided discomfort of long trips in the ante-bellum period. Storekeepers going to the East on their first buying expeditions sought experienced travelers as companions in order to learn travel procedures. There was no way, however, of escaping occasional bad weather, when a storekeeper might find it necessary to travel several hundred miles in unheated stagecoaches and over frozen roads that jolted his insides until he was ready to curse the fate that had made him a country storekeeper. At the end of such a trip he found himself thrust into the midst of crowds and din, which grated unpleasantly on a countryman accustomed to the quiet and more leisurely pace of village life.

A Lenoir, Tennessee, storekeeper, for example, never enjoyed his trips for goods, even after he became familiar with the problems involved. On his 1834 trip to Baltimore he contracted a bad cold, which he thought he had acquired through night travel. He left Knoxville on a Sunday and did not sleep in a bed again until the following Wednesday night, and then only for three hours. Cold and damp weather added to his discomfort in Baltimore. On other occasions he complained of inability to obtain passage on stages because so many storekeepers were on the road, of having to write letters in hotel lounging rooms so crowded that one could not concentrate, and of worry over trying to make up his mind as to the cheapest and best route for bringing his merchandise home. In 1836 he wrote from Richmond, Virginia, "a stinking dirty place at this time," of having been on the road for

[53] See comments scattered through the 1820's in Letters of Horace Carpenter to eastern relatives, 1819–1829, Tennessee State Library, Nashville.

[54] Letters in Calvin Taylor and Family Collection.

almost a week in bad weather and of smallpox being prevalent in some of the places through which he had passed. On the twenty-seventh of the same month he reported Philadelphia taverns crowded, board two dollars a day, and snow a foot deep in the streets.[55]

Some storekeepers seem to have enjoyed eastern trips in spite of such difficulties. The opportunity to see other parts of the country, to visit the museums and shows in large eastern cities, and to play the part of a well-traveled man in their home communities more than compensated for the discomfort occasioned by the slow and awkward methods of transportation available at the time. Many of them were restrained from going, however, by the expense involved. A North Carolina storekeeper spent $100 on a trip to New York and Philadelphia in 1859 to purchase $3,000 worth of merchandise, and expense accounts of others who recorded their outlay indicates that any saving on merchandise might easily be offset by travel costs unless a reasonably large volume of goods was obtained.[56] Small retailers thus found it best to buy nearer home. Only when a man had a volume of business running as high as $6,000 to $10,000 a year did he generally feel justified in making the long trip necessary to buy directly in the East.

Another factor in holding part of the wholesale trade for southern cities was the inability of storekeepers to buy everything needed for the next six months on one trip. No matter how carefully memorandums of needs were drawn, they were bound to miscalculate on certain items or to forget completely their needs in specific fields. Defective goods, losses in transportation, an unexpected increase in demand—these were factors that the most careful storekeeper could not control. Illustrations of this difficulty can be found in business records for any period. A Lenoir, Tennessee, storekeeper asked his brother who was attending school in Knoxville to bring a supply of coffee for the local store on his way home for the Christmas vacation. The storekeeper was willing to pay retail prices in the emergency, and, if the brother could do no better, he was to buy forty to fifty pounds

[55] Letters March 26, 1834; March 21 and 27, 1836, Lenoir Papers.

[56] Diary, 1857–59, George W. F. Harper Papers. See also expenditures of a Virginia storekeeper, Journal, 1838–41, p. 6, William C. Grasty and John F. Rison Papers; and of an Alabama storekeeper in 1835, John Read Journal, 118.

at retail to serve until a larger order could be placed.[57] In the aggregate such buying assumed large proportions since southern storekeepers seldom, if ever, made more than two trips a year to eastern markets in the ante-bellum period.

Proximity, of course, also served to favor southern wholesalers. New Orleans, for example, seems to have held a large part of both the dry goods and grocery trade of the province of Texas. James Cochrane of San Felipe da Austin and John and Matthew Cartwright of San Augustine patronized that city for supplies.[58] New Orleans was of course the closest market, and goods were landed at Matagorda, Anahuac, and Velasco on the coast and freighted inland to the Texas merchants.

Southern cities made their best showing in the grocery field. While country and interior storekeepers might hesitate to buy dry goods, clothing, and hardware within the South, groceries from the same source were widely sold. New Orleans groceries were known in a large territory, Theodor Rodolf of Mineral Point in Wisconsin Territory, for example, advertising "family groceries from New Orleans" in 1840.[59] Men like William M. Shute of Montgomery who objected to the costs of dry goods and hardware when these had to be purchased in southern seaboard cities made it a practice to buy provisions and groceries in these same markets and without any comments on cheaper eastern prices. Shute purchased most of his provisions, such as flour and meat, in Mobile, and sugar in New Orleans.[60]

Southern groceries were generally advertised with as much pride as eastern dry goods. On October 20, 1830, B. M. Lowe of Huntsville, Alabama, listed New Orleans groceries in the same announcement in which he publicized the opening of his eastern-bought dry goods.[61] The Mississippi River and its tributaries concentrated produce in New Orleans from the general-

57 See letters July 6 and 21, Nov. 7, and Dec. 22, 1835; and Feb. 10, 1836, Lenoir Papers. William M. Shute had the same problem at Montgomery. See letters Dec. 1 and 13, 1834; and Jan. 12, 1835, for examples, Letter Book, 1834–37.

58 Advertisements of James Cochrane in San Felipe da Austin *Telegraph and Texas Register*, various numbers for 1835; memorandum of purchases in Matthew Cartwright Account Book, 1833–35, Matthew Cartwright Manuscript Collection, State Historical Society of Texas, Austin.

59 Mineral Point (Wisconsin Territory) *Miner's Free Press*, Dec. 22, 1840.

60 Letter Jan. 21, 1836, Letter Book, 1834–37, of William M. Shute.

61 *Southern Advocate*.

farming regions up the valley, and southern wholesalers were thus able to obtain supplies more cheaply than eastern cities in many cases. Sugar production in Louisiana had reached 200,000 hogsheads a year by 1844, and New Orleans commission houses of course benefited by this.[62] Furthermore, large wholesale houses in eastern cities obtained their supplies of coffee, cocoa, and sugar from Central and South American sources. Southern wholesalers could purchase in the same market and, as the source of supply was close at hand, were able to quote attractive rates. Here was an exception to the general rule that eastern cities were better served by foreign markets.

Groceries and provisions also generally sold on a shorter credit than other merchandise and the South may have benefited by not having to compete with eastern credit resources to the same extent as in other lines. Groceries could be obtained in the East on a credit of six months,[63] but since the margin of profit on these was smaller they usually sold on much shorter time than dry goods.

Some slight advantage may have been reaped by southern wholesalers as a result of the series of commercial conventions held from the late 1830's to the Civil War period with their propaganda for development of southern trade. Growing opposition to opponents of slavery contributed to the same end. As early as 1835 the New Orleans *True American* carried a long article on Arthur Tappan, "notorious fanatic and head of the Anti-Slavery and Abolition Society," and this was copied by other southern papers. Tappan was accused of having secret agents operating in New Orleans to foster racial disturbances, and merchants were urged not to purchase goods from his house in the future.[64] Such comments became more common as the Civil War approached. In 1850 Montgomery storekeepers advised an agent of the New York firm of Chittenden and Bliss to leave town since his employers had been involved in the abolitionist movement and had contributed money to start a paper fostering this.[65] Similarly, a considerable number of Nashville

[62] Phillips, *Life and Labor in the Old South*, 120.

[63] Purchases of groceries in Baltimore in Sept., 1838, Invoice Book 1838–42, William C. Grasty and John F. Rison Papers.

[64] Quoted in Huntsville *Democrat*, Sept. 9, 1835.

[65] *Alabama Journal*, Dec. 21, 1850.

storekeepers agreed to boycott a Cincinnati wholesale house in 1856 when a member of that firm admitted having contributed money to aid the escape of fugitive slaves.[66] Most eastern merchants seem to have refrained from such activity, however, and to have deplored aggressive action or speech likely to widen the breach between North and South.

Probably of greater significance in holding a share of the wholesale trade for southern cities was the aggressive action displayed by their local businessmen. Nashville, for example, made marked strides in the wholesale field. A Nashville business directory for 1859 estimated sales of dry goods and clothing for the preceding year at better than $5,000,000, and the grocery sales at $7,000,000. The wholesale dry goods trade was said to have doubled within the past five years.[67]

Nashville businessmen seem to have been as aggressive as easterners in publicizing their market. The city directory for 1857 celebrated the virtues of its local advertisers in verse. In return for purchasing a full page in the directory, Allison, Anderson and Company were rewarded with the following:

> Country Merchants say their goods are cheap;
> This you'll know if you come and take a peep.
> Why go to Boston or New York?
> Buy goods at home, and save your pork.
> Time is money, so Ben. Franklin said;
> If you count the time and other expenses paid
> For smaller stocks, so far from home,
> You'll come and buy at number Forty-one.

R. H. Brockway and Company, manufacturers and wholesale dealers in ready-made clothing, were "plugged" with the following doggerel:

> Here may be found a splendid stock;
> Why go to Boston or New York?
> To order here your clothes are made;
> Why not support your Southern trade?
>
> A hundred hands or more, will say,
> Work here at home and get good pay.

[66] Reported in Knoxville *Register*, Aug. 3, 1856.
[67] John P. Campbell, *Nashville City and Business Directory for 1859* (Nashville, 1859).

This good example shows the way
We make our bread from day to day.[68]

Year after year these directories publicized the supposed advantages of the local market: cheap rents, low clerk hire, savings in transportation, and other virtues that had also found expression in the pamphlets of the southern commercial conventions. The Nashville directory for 1861 even emphasized that city's direct trade connections with Europe. All "doubting Thomases" were invited to call on Jesse Thomas, Esquire, collector of the local port, for confirmation of the fact that merchandise direct from Europe was landed at the Nashville wharf.[69]

Charleston, South Carolina, whose reputation for smug complacency has become a popular conviction concerning southern history, demonstrated the aggressive nature of southern business in the ante-bellum period. Charleston's leadership in the commercial convention movement has already been mentioned. Local businessmen also advertised widely in country papers, inviting comparisons of local credit policies and prices with those prevailing in other markets.[70]

On April 21, 1847, the Edgefield, South Carolina, paper carried two and a half columns of material from the Charleston *Mercury* on the prospects of the latter city. More goods had been sold during the past season than at any time since 1839. While good crops had contributed to this, the paper credited it most of all to a lowering of the tariff and the influence of railroads which Charleston had promoted. Twelve years before, Charleston wholesale trade had been confined to the state and certain counties in North Carolina and Georgia. Now her trade with Alabama exceeded her earlier trade with Georgia, and Tennessee storekeepers also were buying heavily. If railroad developments could be extended, Charleston hoped to handle the trade of Tennessee, Alabama, and North Carolina, and a large part of that of Kentucky and Mississippi as well. The article offered a comparison of the Charleston and New York City mar-

[68] John P. Campbell, *Nashville Business Directory for 1857* (Nashville, 1857).

[69] L. P. Williams, *Nashville City and Business Directory for 1860–61* (Nashville, 1860).

[70] Advertisement of H. B. Gleason and Company in Macon *Telegraph*, Feb. 26, 1831; advertisement of Wiley, Parish and Company, and of Kelsey and Halsted, Athens (Ga.) *Southern Banner*, Sept. 17, 1836.

kets with much the same arguments and conclusions that had been advanced at the Charleston commercial convention in 1839.

The report was not all bombast by any means. Local businessmen had already demonstrated their willingness to contribute heavily to transportation developments considered likely to aid commercial growth. As early as October, 1833, the Charleston and Hamburg Railroad had been completed, a distance of 136 miles, at the time the longest railroad in the world. Charleston businessmen had given liberally to the project, and maintained their initial interest in later years. Considerable sums of money were advanced by Charleston people in an endeavor to create a railroad network which would greatly enlarge the trade area already served, an intention which suffered far more from geographical handicaps than from local indifference.[71]

Circulars and similar advertising seem to have been distributed from Charleston quite as liberally as from northern cities. Memorandum books were issued by local wholesalers for the use of country storekeepers in itemizing future needs to be obtained in the Charleston market, only in some cases to be used for listing goods to be purchased in northern cities.[72] In the 1850's local wholesalers capitalized on the increasing anti-northern sentiment, and seem to have made an effort to prepare for the prospective trade increase. Some fifty Charleston firms in 1860 combined to publish an advertisement addressed to merchants of the South and Southwest. In view of the excited state of the country, their experience, their attitude on slavery, their desire to become commercially independent of the North, and their ability to supply goods as cheaply as the latter, they asked country traders to give them a trial before buying elsewhere.[73] This met with a favorable response from country newspapers and from at least some storekeepers, Charleston being unable to handle the demand for goods which developed in 1860.[74]

[71] Phillips, *A History of Transportation in the Eastern Cotton Belt to 1860*, 153. Phillips has a full discussion of Charleston's plans for internal improvements.

[72] See memorandum book bound in black leather and with pencil pocket attached, put out by Chamberlain, Miler and Company of Charleston in 1859, in George W. F. Harper Papers where it is labeled "Memo Book for 1860." Harper's wife used it for notations of her own and Harper made several entries in the book concerning goods which he hoped to purchase in eastern markets.

[73] Supplement to Huntsville *Southern Advocate*, Feb. 1, 1860.

[74] Tuscaloosa *Independent Monitor*, Feb. 25 and March 10, 1860.

Opposition to the development of commerce and industry could be found in Charleston and throughout South Carolina, an attitude fostered in part by the prevailing heavy concentration on agriculture, and possibly more could have been done to diversify the economic activity of the state. Nonetheless, in explaining the nature of the ante-bellum southern economy far too much emphasis has been given to southern indifference to commercial development and far too little to the comparative advantage which agriculture may have enjoyed at the time. Businessmen all over the United States seem to have been aggressive in pushing their advantages in the ante-bellum period, but mere aggressiveness was insufficient to overcome more compelling factors.

CHAPTER SEVEN

Controlling Influences in Organization and Policy

A CLEARLY MARKED ANNUAL BUSINESS PATTERN OR TRADE cycle characterized ante-bellum southern economy. Modifications occurred in this as the Civil War approached but its general outlines remained fairly constant throughout the period. While this yearly trade cycle was itself the result of certain basic influences, it in turn shaped so much of the business pattern that its general and all-pervading nature must be recognized as immediately fundamental in any decision on business organization and policy which the storekeeper might be called upon to make. This ranged all the way from business hours and local advertising to purchases in eastern wholesale markets and methods of settling wholesale accounts.

Southerners who moved to other parts of the country noticed the variations in the seasonal pattern of business. James S. Cowan, for instance, left Salisbury, North Carolina, in 1847 to engage in business in St. Louis, Missouri. Salisbury could scarcely be called typically southern, while St. Louis had many ties with the South. Nonetheless, Cowan noticed a difference in the business season when he reached the Missouri city. He reported July, August, December, and January as the dull months for trade.[1] In the South generally, the months of December and January were excellent for business, with crops moving to market and retail sales exhibiting steady activity.

This general pattern was governed largely by the crop season for cotton, tobacco, and sugar. Business naturally boomed when staple crops were harvested, a fact perfectly evident in reports of seaboard commercial papers like the New Orleans *Price Current*. This business sheet considered weekly publication suf-

1 Letter July 25, 1847, John W. Ellis Papers.

ficient in the summer season even after it changed over in the 1840's to semiweekly issues for other months. Business frankly was expected to be dull in the summer, although the *Price Current* occasionally objected to injuries done to resident merchants by those who came only for the active season and then closed out their stocks at a sacrifice in the spring, thereby ruining whatever activity still remained,[2] or to any other influence which made the dull season worse than usual.

The yearly revival began with the first arrival of staples. In a discussion of the preceding year in the issue of September 1, 1843, the *Price Current* reported the first bale of cotton on August 6, with larger shipments coming later and continuing through the winter, the first new sugar on October 12, and the first parcels of new tobacco in January. At the same time merchandising revived and continued active through the spring months. Thus mercantile activity at New Orleans was closely geared to the marketing season for staples, which meant slow business in the summer months, a revival in the fall, and continued activity to the following spring. This same cycle characterized other southern ports, although opening and closing of the heavy business season might vary slightly from port to port because of local transportation problems, and from year to year because of variations in the growing season.

Interior newspapers recognized the same pattern in calling attention to the marked revival of business in the early fall. The editor of the Petersburg, Virginia, paper on September 29, 1840, thus announced that the busy season of fall trade had set in, with the change from the dull summer months to a rattling of drays and the moving of boxes of merchandise constituting a refreshing sight. Local storekeepers were now prepared for a brisk trade with their country friends.[3] Similarly, on October 6, 1849, Beer and Blum advertised the revival of business in Donaldsonville, Louisiana, with the return of Mr. Beer from New York and Boston with large quantities of merchandise for the new season. At such times even the smallest towns took on new life as white-pine boxes, barrels, kegs, and trunks of merchandise were piled on river landings by passing steamboats or arrived in wagons

[2] New Orleans *Price Current, and Commercial Intelligencer,* June 21, 1835.
[3] *The Intelligencer, and Petersburg Commercial Advertiser.*

from the nearest shipping point. For the time being, city ordinances against obstructing walks with articles of commerce were forgotten, and owners and clerks alike sweated over the task of storing from $2,000 to $20,000 worth of goods while attempting to wait on trade attracted by the arrival of new supplies.[4]

The southern climate helped to reinforce this general pattern. The New Orleans *Price Current* recognized that the city was sometimes unhealthful in the summer months, and that local residents attempted to escape the summer heat by travel. At times the paper frankly warned nonresidents to remain away until cooler weather ended an outburst of yellow fever.[5] Country papers likewise occasionally commented on the "sickly season" and the tendency of storekeepers to try to transact eastern business at this time. In July, 1845, for instance, the Yazoo City paper reported stagnant trade conditions and the "months now called the sickly season" in full sway, with those seeking pleasure or promoting business away in the North.[6] A report of the Augusta commercial convention in 1838 deplored this tendency to visit eastern markets during the summer season,[7] and later conventions offered specific arguments against the practice.[8] The South, of course, was not so unhealthful as to compel a mass exodus of businessmen during the summer, but the opportunity to visit northern cities in hot weather made for a concentration of buying expeditions at such times.

The yearly business revival extended over several months, since payments for crops were delayed until returns had been received from sales in seaboard markets. Yearly accounts for merchandise, although theoretically due in January, were thus often settled in the spring months, and at the same time new goods for the warmer season appeared on the market. This brought a second upsurge in buying which lasted until hot weather. Since in a year's time stores often were building up or rapidly declin-

[4] *Le Vigilant, Journal Politique, Commercial et Litteraire.*

[5] See issues of Sept. 16, 1837; and Oct. 9, 1841, for examples.

[6] Yazoo City (Miss.) *Whig*, July 11, 1845.

[7] *Minutes of the Proceedings of the Second Convention of Merchants and Others, held in Augusta, Georgia, April 2d, 1838: With an Address* . . . (Augusta, 1838), 33.

[8] *Proceedings of the Fourth Convention of Merchants and Others, held in Charleston, S. C., April 15, 1839.* . . . Report of the Committee of Ten (Charleston, 1839), 53–64.

ing quite apart from the normal annual fluctuation in their business, tables covering only a year are frequently misleading. Nevertheless, the general business cycle is indicated by the following table.

TABLE IV

Monthly Sales at Rogersville, Tennessee, 1826–27:

October	1826	$411.72
November	"	674.34
December	"	871.16
January	1827	554.07
February	"	361.32
March	"	517.49
April	"	550.97
May	"	412.07
June	"	320.36
July	"	202.75
August	"	448.76
September	"	239.85 *

Monthly Sales at Huntsville, Alabama, 1835–36:

October	1835	$ 937.06
November	"	1935.36
December	"	1651.44
January	1836	over 2,000
February	"	1337.81
March	"	1130.93
April	"	914.06
May	"	1315.59
June	"	970.31
July	"	882.18
August	"	1202.33
September	"	1863.22 †

Monthly Sales at Hillsboro, North Carolina, 1841–42:

October	1841	$ 546.08
November	"	1102.52
December	"	572.52
January	1842	576.97
February	"	521.21
March	"	651.82
April	"	398.29
May	"	421.85
June	"	435.48
July	"	354.47
August	"	301.00
September	"	360.37 ‡

Monthly Sales at Jeanerette, Louisiana, 1852–53:

October	1852	$1321.74
November	"	972.02
December	"	1240.11
January	1853	1085.88
February	"	775.82
March	"	754.44
April	"	776.63
May	"	776.63
June	"	767.88
July	"	789.50
August	"	780.37
September	"	(not given) §

* George Hale Journal, 1826–27, Tennessee Historical Society, Nashville. The figures here are credit sales only. The peak months are italicized in this table.

† John Read Journal. Credit sales only.

‡ John U. Kirkland Journal, 1841–44, University of North Carolina Library, Chapel Hill. These are cash and credit sales together, except for September, when only credit sales are given.

§ Journal, 1852–53, of John Barnard, in William T. and George D. Palfrey Manuscript Collection. Credit sales only.

Monthly Sales at Mississippi City, Mississippi, 1854–55:

October	1854	$ 514.21
November	"	595.27
December	"	1117.35
January	1855	446.42
February	"	534.22
March	"	539.04
April	"	707.47
May	"	525.51
June	"	628.85
July	"	436.77
August	"	415.44
September	"	216.02 ||

Monthly Sales at Danville, Virginia, 1858–59:

November	1858	$5638.55
December	"	4238.41
January	1859	3887.51
February	"	5985.89
March	"	8533.42
April	"	9376.34
May	"	9476.92
June	"	7107.87
July	"	5382.60
August	"	7715.92
September	"	6253.06
October	"	10098.25 ¶

|| Journal, 1854–60, Calvin Taylor and Family Collection. These are cash and credit sales.

¶ Ledger, 1858–59, of Grasty and Rison, in William C. Grasty and John F. Rison Papers. These are cash and credit sales.

In general-farming regions like Hillsboro and in the sugar-producing section around Jeanerette, the economy varied greatly. Nonetheless, stores tended to reach peaks on sales at some period in the fall or winter, and again in the spring. A duller season at some time in the summer will also be observed. In the light of monthly sales, the distinction between dull and busy seasons should not be drawn as sharply as newspaper reports of the period indicated it to be. This divergence in emphasis came in part because the busier seasons were such not only from an increased sale of goods but from handling of crops, storing away new supplies, collecting accounts, and other matters which did not intrude during the summer.[9] Nonetheless, a two-season

9 Mercantile letters reflect far better than do mercantile account books the extent to which storekeepers felt the difference between the busy and the slack seasons. Robert Wilson wrote to his partner, Calvin Taylor, from Satartia, Mississippi, in October, 1846, about the arrival of new fall goods and said that Taylor would remember what a task faced the storekeeper at such a time. Letter Oct. 1, 1846, Calvin Taylor and Family Collection.

John Martin, of Memphis, wrote to relatives that he had never worked harder in his life than during the past four weeks, his store having opened over $20,000 worth of goods and sold over $3,000 worth in the period. Letter April 15, 1843, Lenoir Papers.

Hogg and Meng of Fayetteville, North Carolina, in May, 1804, near the beginning of the slack summer season, had to refuse help to a friend who was seeking employment for a worthy person on the grounds that they would find it hard to keep their present staff employed during the summer. They would need their men in the fall and would have to carry them through the slack season for that reason. Letter May 10, 1804, Letter Book of Hogg and Meng, John Hogg Accounts.

period of sales of merchandise prevailed, "spring and summer" and "fall and winter," as will be pointed out, and this reflected itself in various matters of procedure such as clerk hire and advertising.

Since southern staples, especially cotton, sold widely in the world market, the course of the southern economy naturally was shaped to a considerable extent by world conditions. The present study, however, is limited to an analysis of national and local influences operating to shape the conduct of business within the general cycle just set forth.[10] In this respect the evidence is clear that national trade patterns greatly influenced the South. As early as the 1830's southern business was becoming fully aware of the extent to which it fell below the national average in commerce and manufacturing. As a result, much discussion was devoted to the necessity for making every effort to overcome this lag, and southerners agitated for the introduction of policies practiced elsewhere in the nation whether fitted to local conditions or not. Southern commercial conventions explained and popularized northern methods of business organization, northern systems of taxing business wealth, and northern governmental favors to businessmen.[11] This urge to attain the national average received additional impetus from the growing hostility of North and South in the abolitionist fight of the 1840's and 1850's. Added to these factors in encouraging the adoption of northern practices was the presence of many businessmen who had come originally from the North. Bishop Henry B. Whipple's comment in 1844 on the basis of personal observation that "everywhere at the south you will find enterprising and energetic northerners located & successfully competing with those southerners educated and reared here" expressed the common impression received by travelers in that section.[12] In the light of such evidence, any prevailing backwardness could scarcely be explained in

[10] It is altogether possible, for example, that an analysis of factorage in relation to the whole world market might place it in a more favorable light in its influence on the lower- and middle-class population of the South. Such a study would involve considerable travel and time, since virtually nothing has been done beyond sketching out the general channels through which cotton moved into the world market.

[11] See pp. 12–16 of pamphlet cited in footnote 8, *supra*.

[12] Shippee (ed.), *Bishop Whipple's Southern Diary, 1843–44*, p. 73. See also Olmsted, *The Cotton Kingdom*, I, 273.

terms of ignorance of more enlightened policies operating in northern cities.

Conditions within the South itself, however, exerted a greater influence on the organization of business and on operational policies. As already indicated, marked differences existed within the South, and there was no such thing as a common or typical market in which storekeepers operated. The continuance of a frontier process as late as 1860 did provide a somewhat common experience through which the whole of the South had passed and also accounted in part for the nature of southern business. Population density varied according to a good many controlling conditions, but frontier communities were sparsely settled. In these the storekeeper was unable to specialize to any great extent and his problems of communication and transportation were also great. The continued expansion of the South throughout the whole of the ante-bellum period accounts, too, in part for the shortage of capital which plagued southern storekeepers.

Charges by modern writers that the South put too much capital into slaves and land in order to grow more cotton to buy more slaves and land had their counterpart in the ante-bellum period. The southern commercial conventions attempted to persuade planters to diversify their economy by investing part of their crop returns in commerce and manufacturing; by so doing they would lessen the critical shortage of capital resources for trade, would perform a patriotic service to the South, and would benefit themselves economically at the same time. The continued presence of cheap and fertile land on the frontier militated against the success of this campaign, however. Furthermore, contemporary evidence often supports the decision of agriculturists to continue along established lines.

This is evident in the career of John Bisland, for example. Born in Scotland in 1742, he had operated a dry-goods store in Glasgow before coming to the colonies on the eve of the Revolution. Merchandising naturally continued to hold his attention during his first years in the New World, and he operated a country store at Cross Creek in Cumberland County, North Carolina. The western urge soon led him to remove his business to what is now Mississippi, where he opened a new establishment in 1776.[13]

[13] Stokes, John Bisland, Mississippi Planter, 1776–1821, pp. 10–11.

Before many years had passed he transferred his attention to planting, a move which provided him with a comfortable living for the rest of his life.

As an old man, Bisland turned his thoughts more and more to his native land. His letters, addressed to friends of his youth in Scotland, revealed the reasons for his abandonment of merchandising and his opinions of society in Mississippi. It distressed him to hear that Scotland was no longer so prosperous when his own part of the world was overloaded with abundance. Bisland encouraged immigration from Scotland as a means of exploiting the great opportunities available. Educated people might dislike the small respect accorded them in democratic Mississippi, said Bisland, but artisans would prosper and be happy. As an example of the profits available in planting, he mentioned the recent purchase of one hundred acres of land adjoining his property. It had cost him only $600 and the cotton grown on seventeen acres of this would yield a return of $500 the first year.[14]

Cotton was a fickle mistress, and glowing reports like Bisland's were true only at certain periods and generally only in the newer regions. That they were true at all, however, was sufficient excuse to keep the mania alive. Forty years after Bisland's estimate of cotton profits, a letter in a New Orleans newspaper commented on the boom in the territory around Shreveport in northwestern Louisiana. Investments ran to "niggers and cotton crops," and farmers were obsessed with the idea of cotton production as the only source of profit. Good field hands were reported to be selling readily at $1,500 to $2,000 along the Red River, since the return on such a chattel's labor would pay for him within three years.[15] Such booms declined with periodic recessions in cotton prices or land exhaustion, but only in the eastern-seaboard slave states did the cotton mania suffer a permanent eclipse in the ante-bellum period. Thus, frontier conditions continued to provide a sparsely settled region necessitating an elementary type of marketing, and also accentuated the shortage of capital available for mercantile

[14] Letters Aug. 17 and Oct. 25, 1817, Letter Book, 1817, John Bisland and Family Collection.

[15] Letter in New Orleans *Daily Crescent*, Nov. 17, 1859.

operations by providing cheap and fertile land for the growing of cotton.

The status of communication and transportation constituted another extremely influential factor in shaping business organization and policy. These were exceedingly slow, expensive, and unreliable, in comparison with modern conditions, throughout the whole ante-bellum period, although improvements occurred in many ways. Steamboats facilitated water transportation, and railroads had begun to change overland transportation in limited parts of the South before the Civil War. By 1860 over $325,000,000 had been invested in southern railway construction, constituting approximately 29 per cent of the total investment in American railways at the time.[16] In communication and transportation the South as a whole had a tendency to follow the national pattern of development, to make considerable progress in the field, but to fall somewhat behind the national average of actual accomplishment. This in turn reflected itself in business organization and policy.

General histories of communication and transportation will provide a more inclusive picture than can be given in a limited study devoted to the story of marketing, but the problems existing in the latter field cannot be fully appreciated without recognizing the handicaps in obtaining information and in moving goods during the ante-bellum period. In 1824, for example, storekeepers in the neighborhood of Milledgeville, Georgia, paid 87½ cents per hundred pounds for water transportation and insurance on merchandise coming from Savannah, less than three hundred miles away.[17] This meant an addition of some 10 per cent to the retail prices of standard items like sugar for moving the merchandise from the coastal port of the state in which it was to be consumed. Similarly, a Knoxville railroad convention in 1836 used figures compiled by a local mercantile house to demonstrate the high costs of transportation. Freight charges on goods coming from Baltimore by wagon were six cents a pound, and from Philadelphia and New York by water three cents, with an

[16] Emory Q. Hawk, *Economic History of the South* (New York, 1934), 336.

[17] Advertisements of shipping rates by Parish Carter and John T. Rowland, Milledgeville *Southern Recorder*, Nov. 16, 1824.

additional charge of 3 per cent for insurance being common.[18] The high insurance rates reflected the insecurity of transportation. Moreover, while a storekeeper might be partially protected from immediate loss by carrying insurance, the failure of a cargo of merchandise to arrive often left stores without needed goods for a considerable period of time.

Since the transmission of information was dependent to a large extent on current developments in transportation, the same slow, expensive, and unreliable conditions tended to apply. Storekeepers sought postmasterships in part because such positions entitled them to send their own mail free of charge, an item of considerable importance in view of the prevailing high postal rates.[19] This constituted only a partial solution of the problem, however, since the inefficiency of the postal service was a matter of common knowledge. Illustrations of this are voluminous. In 1833, for instance, Mobile merchants held a meeting at Cullum's Commercial Hotel to consider the injury to the general public interest from the "unparalleled" irregularity of the eastern mails. The gathering agreed that bad roads were not the major problem involved, and obtained examples of mail sacks being left behind by stages in order to carry an extra passenger or so. The meeting drafted a memorial for presentation to the postmaster

18 Cited in Phillips, *A History of Transportation in the Eastern Cotton Belt to 1860*, 185.

19 Storekeepers who also held postmasterships found various ways to profit from their franking privilege. They would order magazines and newspapers for customers and send the order under their own frank. See the list of newspapers and magazines received by Hugh Graham of Tazewell, Tennessee, in the late 1840's and early 1850's, for example, in Graham Papers. In 1827 the government found it necessary to forbid postmasters from acting as agents for lotteries and thus abusing their franking privilege, Wesley E. Rich, *The History of the United States Post Office to the Year 1829* (Cambridge, 1924), 123–26.

One of the most ingenious schemes for profiting from the franking privilege was advanced in a circular put out by Harnden and Company, a firm which played a large part in the development of railway express, in September, 1849. Postmasters were asked to display a large circular announcing a willingness to handle remittances to Europe through Harnden and Company. A hypothetical case and letter demonstrated how the business was to be handled. If some customer wished to remit £5 to Ireland, the agent should collect $25 for this, make a charge of $1.00 for writing the necessary letter and order to Harnden and Company, and charge, say, 32 cents postage. Twenty-five dollars would then be sent to Harnden and Company and the agent would have a profit of $1.32 of which 32 cents would come from franking the letter under a postmaster's privilege. Circular material of Harnden and Company, Sept. 1, 1849, Lewis C. Hanes Papers. Hanes was a merchant-postmaster at Fulton, North Carolina, when he received the material.

general which stressed the commercial value of regularity in deliveries.[20]

Registered mail and postal money orders became available around the Civil War period but until then the transmission of information or money through the mails constituted a real gamble. The postal department itself used every possible means to avoid sending money through the mails. In 1823 a system was adopted of paying all but the smaller postal accounts by drafts, but even with this precaution the post office lost about $17,000 of its own money from the date of its beginning to 1829 by using the mails.[21]

Slow, expensive, and unreliable methods of communication and transportation meant that business methods displayed much the same characteristics. Storekeepers operated generally with only partial knowledge of market conditions and on information which frequently was out of date. Even correct information proved worthless at times through inability to demonstrate true market conditions to customers who were operating on the basis of rumor. In 1806, for example, a Fayetteville, North Carolina, storekeeper had to ask his Wilmington partner to purchase cotton at twenty-one cents since he could not obtain any in the back country for this price. His offer of twenty-one cents locally had created a rumor of a rise in the cotton market and had resulted in farmers withholding their crop. At the time cotton from the back country was selling at nineteen and twenty cents, but local farmers had no way of checking the status of outside markets, and the local storekeeper could not demonstrate that his offer of somewhat more than the current price on small crops did not mean a fabulous rise in cotton prices.[22]

Conditions in the fields of banking and currency also exerted an influence on business organization and policy. Attention has already been called to the widespread extension of store credit in the form of merchandise, even in communities where banks existed. The relatively undeveloped state of banking, and dis-

[20] Mobile *Commercial Register and Patriot for the Country,* March 5 and 8, 1833. See also report in same paper on Oct. 26, 1836, of loss of letter containing $21,000.

[21] Rich, *History of the United States Post Office to the Year 1829,* p. 152.

[22] Letter Feb. 6, 1806, Letter Book of Hogg and Meng, 1803–1808, John Hogg Accounts.

organization in the circulating medium, compelled storekeepers to assume other banking functions as well, or at least to supplement the work of existing banks. In many communities banks were nonexistent, and here it became necessary for stores to assume even the most elementary duties of such institutions.

Ante-bellum merchandising thus developed according to a clearly recognizable set of factors. Southern storekeepers knew and were stimulated to adopt methods prevailing in other parts of the country as a means of overcoming the comparatively slow development of their own section. Inability to make eastern business policies work within the South or to obtain acceptance of them in the first place indicates, however, that local southern conditions constituted the more compelling set of factors. Stores varied according to population density and according to relative developments in transportation, communication, banking, and currency. In the latter fields the South tended to follow the pattern of national growth, although somewhat more slowly than in other sections of the country. In the same way business organization and policy tended to repeat the national pattern at a somewhat slower tempo.

This is evident from the use of the same general legal forms of business organization that were employed elsewhere in the country, with some of these being adopted more slowly in the South. The most common type of all was the individually owned store, and this remained true throughout the period. Low capitalization made any other arrangement for many of these highly impractical. The 143 stores in Jefferson Parish, just south of New Orleans, in 1840, for instance, had an average value of less than $500. Some, of course, were larger while others fell below the extremely low group average. Many obviously must have been small shops which could be watched by some family member while engaged in general domestic duties. Otherwise the slow rate of turnover on the small capital investment would have prevented the continuance of the business. In such cases the partnership and other more advanced forms of organization were neither feasible nor necessary.

Individual ownership of relatively large commercial firms remained very common, however, and specific reasons for this are quite evident in the records. Personality conflicts and disagree-

ments over basic business policies often disrupted partnership arrangements. The partnership which John Hook and David Ross established in 1771 clearly demonstrated the conflicts which could arise between two honest and capable businessmen. Hook expanded the scope of operations far beyond the purposes contemplated in the original contract. During the American Revolution the partners quarreled over politics. Ross accused Hook of Tory principles, and a consequent unwillingness to be lenient with debtors at the back-country store which he operated. The two men were of decidedly different personalities, Ross being urbane, friendly, and inclined to patience, whereas Hook displayed a driving, stingy, self-righteous, and litigious attitude in his business dealings. The extensive and protracted court actions arising from this partnership were based on specific business issues, but the conflict of personality between the partners within itself perhaps was basic in creating the difficulty.[23]

The possibility of dishonesty also prevented some businessmen from adopting the partnership form of organization. Since the property of one partner could be taken in payment for debts accumulated by another member of the firm, ability and honesty of business associates needed to be above suspicion. Even clerks hesitated at times to enter partnerships with respected employers for fear that others of doubtful character might be admitted to the firm. An occasional case like that of the Petersburg, Virginia, merchant in 1847 who had lost everything, including slaves acquired through marriage, by gambling commitments of his partner, highlighted the dangers inherent in such arrangements.[24]

In spite of such dangers partnerships were very common, and in many towns almost equaled individually operated concerns in numbers; in total capital invested, they undoubtedly surpassed the latter at times. Older storekeepers often accepted junior partners to lessen the burden on themselves and to escape the necessity of constant attention to business. Calvin Taylor of Satartia, Mississippi, thus arranged with partners to operate his storehouse and cotton sheds in the 1840's for a share of the

[23] The story of the establishment of this firm in 1771, its development, and the protracted litigation growing out of it is scattered through the John Hook Papers.

[24] Letter March 9, 1853, Welcker Papers, 1803-1880, Lawson McGhee Library, Knoxville; letter Jan. 11, 1847, Lea Papers.

profits, Taylor assisting in the work except for long vacations on the Gulf Coast during the hot summer season.[25] This form of organization also permitted businessmen to add well-known and respected local citizens to the firm as a means of attracting patronage.[26]

Far more compelling than these, however, in popularizing the partnership form of organization was the need for capital for efficient operation. The relative scarcity of stores, banks, and commission houses in the South in many cases compelled the owner of a business establishment to assume most of the burden and the opportunities involved in meeting the economic wants of his customers, and his need for capital was greater as a result. Interior and country storekeepers occasionally advertised for partners in coastal papers, pointing out the numerous local advantages for doing business. Individuals or importing firms willing to advance cash or merchandise were invited to enter business with such men.[27]

The passage of time and the development of interior centers of trade did not end the pressure for capital. Specialization operated to decrease the importance of this factor, but the general mercantile establishment which offered a wide range of services still persisted as an integral part of the picture. William Thomas and Julian Bedford each contributed something like $6,000 to a joint venture in retail merchandising at Memphis, Tennessee, in January, 1851. By that time Memphis had developed considerable specialization and businessmen were no longer compelled to meet all the needs of their customers. Nonetheless, since each contributed approximately the same amount and both were to give full time to the business, they obviously

[25] Contracts April 15, 1845 and Feb. 1, 1846, Calvin Taylor and Family Collection. See also letter June 30, 1853, in Lea Papers concerning the establishment of a partnership by an elderly storekeeper as a means of conserving his own physical strength.

[26] Daniel R. Hundley, who had a marked antipathy for storekeepers, accused northerners who came south to open stores of always hunting a partnership with some respectable local character. This assured them of a share of local trade, and the northerner knew where to buy shoddy goods, a system which assured success to the partnership. *Social Relations in Our Southern States,* 105–106. The practice of seeking local connections was not uncommon, even among southern storekeepers when they moved to new regions. See letter April 10, 1837, David Campbell Collection.

[27] Advertisement addressed to merchants in *Georgia Republican and State Intelligencer,* Feb. 17, 1803.

believed that greater profits could be made by combining capital resources in one large store.[28]

A few partnerships seem to have originated from a desire to invest surplus capital. Such a contract was made between Shepherd Brown of Virginia and James Gillan of Montgomery, Alabama, in 1834. Brown agreed to furnish Gillan $3,000 in cash and goods to carry on the tailoring trade in Montgomery, Gillan to run the business and each to share equally in the profits after the original capital had been repaid.[29] The fact that this and similar agreements often resulted disastrously for those who advanced capital to their partners for mercantile operations partially accounts for the development of the idea that commerce was retarded in the South because investors were not sufficiently protected under partnership laws.

The South was so short of capital, however, that few men had money to invest except under their own active supervision. Laws protecting passive investors could accomplish little when those who entered partnerships almost always desired to engage actively in the conduct of trade. Far more typical than the Brown-Gillan arrangement in providing capital for mercantile operations was the program instituted by J. H. Jelks. The latter had transferred his farming operations from North Carolina to the more responsive Alabama soil and had achieved a fair measure of success. In 1852 he placed his agricultural affairs in the hands of an overseer and purchased a tavern and part interest in a store at Uchee, Alabama. This good-natured and semi-illiterate individual expected to make a fortune from the move. His thrifty wife, with the help of two female slaves and a colored boy, took over the tavern, and Jelks started to learn the mercantile trade under the supervision of his partner, "a very clever young man." Each seems to have put in equal amounts, the one to obtain an increase in capital and the other as a first step on the road to fortune as a storekeeper.[30] Such combining of resources as a means of overcoming capital shortages continued to be a major influence in popularizing the partnership form of organization.

The use of branch or chain stores also contributed to the sur-

[28] Contract in Whyte-Bedford Papers, Tennessee State Library, Nashville.

[29] Contract Dec. 8, 1834, Crommelin Papers.

[30] Letter Feb. 9, 1852, Sills-Jelks Papers, 1833–1895, Duke University Library, Durham.

vival of the partnership form. Such organizations consisted as a rule of two or more *general* stores which combined operations in some or all stages of the marketing process. Virtually all towns had one or more of these chains in operation at all times, and they retained their popularity as late as the Civil War period.

In one type, senior partners resided in the East and limited themselves to buying merchandise for one or more stores in the South. Some storekeepers had purchasing agents in larger cities, without an actual partnership existing,[31] but most seem to have preferred closer connections if they were to have constant representation in wholesale markets. In virtually all, however, authority was more dispersed than in modern chains. Transportation and communication did not permit a closely knit organization in which a central office could maintain constant supervision over stores several hundred miles away. The same limitations served to provide for greater customer variation than in the modern period. Brand names were virtually unknown and customers had not been exposed to advertising campaigns designed to make them conscious of exactly the same item from coast to coast. This lack of standardization in customer demands evidenced itself in even relatively limited market areas. A Statesburg, South Carolina, storekeeper thus asked permission to return English cheese to his Charleston representative in 1797, blaming its failure to sell on local "depravity of taste," country cheese being preferred, and also its high price.[32] Similarly, a back-country storekeeper wanted to return a shipment of white sugar to his Wilmington, North Carolina, partner in 1808 because his hill customers preferred even the poorest kind of brown sugar.[33]

The Andrews family, which opened a store at Huntsville, Ala-

[31] William Proctor of New York City offered to purchase goods for southern and western merchants on a 2½ per cent commission, advertisement, Huntsville *Democrat*, June 15, 1839. William Veitch, who had operated a Huntsville store for several years, advertised the same kind of service in New York and Philadelphia markets, advertisement, *ibid.*, July 1, 1846. Such arrangements did not attract much favor, apparently because storekeepers hesitated to delegate so much authority to men at a distance when merchandise was not standardized and communication and transportation separated principal and agent from one another for long periods of time.

[32] Letter July 23, 1797, Letter Book, 1795–1812, William Murrell Collection.

[33] Letter Nov. 11, 1808, Letter Book of Hogg and Meng, John Hogg Accounts.

bama, in 1826 and a second at Tuscaloosa in 1829, provides an excellent illustration of the chain organization with an eastern partner. One member of the family resided in Philadelphia and New York to purchase supplies for the outlet stores in the South. Although the family was aggressive and willing to experiment with new ideas, there obviously was little attempt to work out a common plan of retail procedure. The men directly in charge of the stores indicated the types of merchandise which they wanted, wrote their own advertising, and instituted rather radical local changes without committing the whole organization to the new program. The Huntsville store, for instance, created a separate department for the sale of men's ready-made clothing without the Tuscaloosa manager being sufficiently impressed to do the same. The stores followed a uniform policy only in emphasizing their common advantage in having access to eastern sources of merchandise, claiming that they could pass on to customers the savings possible from purchases at eastern auctions and from importers directly without having to pay a jobber's commission.[34] Since experienced supervision, constant efforts to organize retail sales on more efficient lines, and other instruments of the modern chain received little or no attention, such organizations must have found buying advantages to be their one great asset over individual stores.

The second and most common type of chain was built around senior partners of several years' standing in towns of five hundred or more people. Storekeepers who remained in business for any length of time seemed unable to resist the temptation to experiment with branches, and thus established junior partners at country villages in a radius of fifteen to twenty miles from the mother store.[35] The senior partner generally furnished most of the capital in the beginning and closely supervised the business. He did the buying by yearly or semiannual trips to eastern markets, probably wrote the advertising, and handled the sale of

[34] For organization of the Andrews stores see advertisements in Huntsville *Democrat*, May 5, 1826; Huntsville *Southern Advocate*, May 18, 1827, and June 12, 1830; and Tuscaloosa *Alabama State Intelligencer*, Sept. 25, 1829.

[35] Advertisements of such organizations were quite common. B. M. Lowe's plan of organization has been discussed in Chap. II, 22. See also advertisement of John Murphy of Salisbury, North Carolina, of Murphy and Brown of Concord, and of Murphy and Taylor of Mocksville in *Western Carolinian*, Dec. 28, 1824, and Dec. 10, 1832.

produce received in exchange for goods. The advantages of the system seem not to have been stated in the advertising except for an occasional mention of the fact that eastern-bought goods were available in the smaller villages.

Undoubtedly a saving was realized through the purchase of a greater volume of merchandise on the necessary but expensive eastern trips, and the branch stores also facilitated the collection of cotton and produce. The disadvantage of slow turnover of merchandise could also be offset in part by handling a larger volume of goods. Problems of supervision probably accounted for the tendency to limit branch stores to no more than one at a time, although three or four in addition to the central firm were occasionally to be found. Whatever the form of organization, however, the units usually consisted of general stores which provided merchandise, credit and a means of disposing of the farmer's crop.

Individuals and partnerships held their dominance in the mercantile field throughout the period. Until after the Civil War, corporate organizations received virtually no attention. As already indicated, little southern capital was available for investment in enterprises which others would manage and there was little need therefore for corporate forms of business. Nonetheless, the South was disturbed by the growing commercial supremacy of the North. In seeking an answer to the reasons for this, state laws governing the organization of commercial enterprises were analyzed and compared with similar statutes in the North. Investigators emphasized the dangers involved in the partnership form of organization whereby all of a man's property could be taken to satisfy obligations incurred by a firm in which he was interested. Limited partnerships, an evolutionary step in the direction of modern limited-liability corporations, had been adopted in a number of northern states, and since these guarded against the danger of the old general partnership agreement it was easy to conclude that southern commerce was backward partly because statutory development in the South had not kept pace with the advance of business.

In reaching this conclusion the investigators ignored the provision in the Louisiana Code of 1808 for special partnerships, in which an investor was liable in case of failure only for the amount

of money originally supplied.[36] This was considerably in advance of the general adoption of the plan farther north and developed perhaps because of the commercial growth of New Orleans. In other words, its first introduction in the South reflected the needs of a particular southern city.

Elsewhere in the South little interest appeared for many years, although some papers called attention to such developments in the East and occasionally expressed approval. The Huntsville paper in 1825 discussed a proposal then before the Pennsylvania legislature to create limited partnerships. Communities should be protected from fraud, said the editor, but unlimited liability for partnership debts restrained men from investing capital and thereby retarded the development of the country. In his estimation, the public interest would be served by requirements for complete publicity of the partnership agreement in each firm created under the more liberal law being proposed, and he implied that similar measures should be adopted in the South.[37]

Since the extreme rigors of the Panic of 1837 created an outburst of sentiment in favor of the adoption of limited-liability partnership laws, Georgia, South Carolina, Alabama, Florida, Tennessee, and Virginia almost immediately responded with such acts. The series of southern commercial conventions, starting at Augusta, Georgia, in October, 1837, perhaps constituted the most effective force in calling the supposed need for this legislation to public attention. Indeed, the only specifically practical suggestion of the Augusta convention was in this direction, although direct trade with Europe and a crusade to persuade planters to transfer capital to commercial activities received most attention at this and subsequent meetings in other cities.[38] The Charleston meeting in 1839 boasted of the success of its predecessors in obtaining more liberal commercial laws,[39] and the advance in this respect encouraged hope for the broader aims under discussion at the time.

[36] *A Digest of the Civil Laws Now in Force in the Territory of Orleans* (New Orleans, 1808), 388–98. This of course was based on French antecedents, but probably owed more to the necessity for such a provision in the rapidly developing city of New Orleans.

[37] *Democrat*, March 29, 1825.

[38] See Herbert Wender, *Southern Commercial Conventions, 1837–1859* (Baltimore, 1930), for a general account.

[39] See pp. 23–52 of pamphlet cited in footnote 8, *supra*.

Most of the new state laws were almost identical, indicating a common origin. One, therefore, will indicate the nature of all. The South Carolina statute provided for general partners, to be liable as under the old statutes, and special partners who could lose, in case of failure, only the money originally contributed to the venture. In return for this protection, the law specified that the general partners alone must conduct the business and only under their own names. A full record of the contract, including names of those contributing, amounts invested, nature of the business contemplated, and the length of time for which the firm would operate, had to be published in public papers for six weeks at the beginning of business. Special partners could not withdraw capital from the organization during its operation, although they might receive their share of actual profits and interest on the money invested.[40]

These laws failed to stimulate southern commercial development to any extent. The writer has seen only one advertisement of a limited-liability partnership, that of a hardware concern at Macon, Georgia, in 1860, in which the special partner advanced $10,000 in cash.[41] Others undoubtedly existed, but the paucity of advertisements of the formation of these indicates that they failed to meet any great need. In this, southern leaders had mistaken the real problem at hand; slow commercial development could not be attributed to dangers inherent in partnership laws. The real problem was a scarcity of capital beyond what actually was needed for use in occupations in which investors wished to engage directly. If men spent too much on slaves and cotton farms for the best interests of the South as a whole, they did so in the hopes of greater financial returns and not through dislike of statutes governing commercial organizations.

In the field of specialization of business functions the South again followed the national pattern, with the same lag in the rate of change that prevailed in other aspects of organization and policy. Here, too, the South was fully conscious of developments in other sections of the United States and was stimulated to defend or modify local conditions. The Charleston commercial

[40] David J. McCord (ed.), *The Statutes at Large of South Carolina* (Columbia, 1839), VI, 578–81.

[41] Advertisement of Joseph E. Wells and Isaac Scott, *Georgia Journal and Messenger*, Feb. 1, 1860.

convention of 1839 demonstrated this pattern of thought in its analysis of southern commerce. On one hand, it urged southern businessmen to foster a system of direct importation from Europe, which would of course stimulate the development of trade specialization; on the other hand, it attempted to prove that goods could be obtained from southern-seaboard wholesalers more cheaply than in the East because southern business was less specialized. New York City, said the report, had reached the stage where country merchants had to buy from jobbers who in turn obtained their merchandise from importers. In Charleston, country merchants could buy directly from importers and thus save the profit made by northern jobbers.[42] Here, too, propaganda for change or in defense of existing conditions exerted far less influence than did the force of local circumstances.

Voluminous evidence demonstrates that the South fitted the national pattern of specialization in the sixty years before the Civil War. In the colonial period the more northern colonies had been served by mercantile capitalists, like the Hancocks,[43] or Peter Faneuil, who imported foreign merchandise for local consumption. Virtually every hamlet also possessed artisans who were skilled in cabinetmaking, shoemaking, tinsmithing, blacksmithing, and numerous other trades. These men made furniture, shoes, table utensils, plows, and many other items for the growing population. In the beginning, they generally followed a custom-order procedure; that is, they made their products according to the specifications demanded by the customer. In this procedure the bargaining over the product preceded its manufacture; how, for instance, could the shoemaker know what to charge for a pair of shoes until the matter of quality, style, and size had been settled? A large amount of higgling, therefore, was commonly essential in each transaction.[44] In addition, backcountry stores retailed merchandise imported by mercantile capitalists along the seaboard.

The southern colonies, of course, had a well-developed fac-

[42] See pp. 53–64 of pamphlet cited in footnote 8, *supra.*

[43] Edward Edelman, "Thomas Hancock, Colonial Merchant," *Journal of Economic and Business History,* I (1928–29), 76–104, gives a succinct analysis of one mercantile capitalist of the period which will indicate the general scheme of operations for all.

[44] This system is analyzed in John R. Commons (ed.), *History of Labour in the United States,* 2 vols. (New York, 1918), I.

torage system long before the end of the colonial period. Here too, however, the colonial period witnessed the operation of a limited number of men who were comparable to the mercantile capitalists of the northern colonies. Some of these, like William Byrd I, combined planting with merchandising.[45] Migration into the back country also stimulated the development of interior stores of the type which John Hook operated at New London, Virginia.[46] These served the middle-class southerner who did not export his crops directly through the factorage system, and were supplemented as in the North by custom-order artisans and peddlers.

The artisan class in the colonial period everywhere represented an unspecialized type of economy. Such workmen furnished their own shops and tools and in that sense were capitalists; by also furnishing a large part of the labor they might be called a laboring class. They represented both the wholesaling and retailing functions of the system since they delivered their products directly into the hands of the ultimate consumer. Even the term entrepreneur might be attached, as the custom-order worker provided the directive element in his own shop.

The sixty years preceding the Civil War saw this system give way largely to one of greater specialization, in which manufacturing, wholesaling, retailing, and other functions became distinct. The old back-country general store followed the same trend by going over to groceries, dry goods, clothing, or whatever line of retailing the owner found most advantageous in his particular community. Not until after the Civil War did the drift toward specialization of functions reverse itself in the direction of trust formation and department stores, which have surpassed the old general store in the range of items carried.[47] Indeed, the middle period of American history represented an interval between two longer periods of concentration of economic functions.

Since growth of population and improvements in transportation largely governed the rate of specialization throughout the ante-bellum period, where both were relatively limited the old, unspecialized economy lingered on. This is evident as one fol-

[45] Gray, *History of Agriculture*, I, 422. [46] *Ibid.*, 427.

[47] Ralph M. Hower, *History of Macy's of New York, 1858–1919. Chapters in the Evolution of a Department Store* (Cambridge, 1943), 77–88, discusses the general direction of American mercantile specialization.

lows the frontier lines of southern migration or examines regions which did not prove attractive to intensive settlement or heavy capital investments. If population was extremely scattered or too poor to buy in any quantity, the peddler by going from house to house and by covering a relatively large territory was able to operate, whereas more settled types of mercantile activity would have failed. Similarly, the artisan or custom-order worker took to the road when patronage was limited. An early-day settler of Jefferson County, Mississippi, recalled such men in his reminiscences. Jonathan Smallwood, an itinerant shoemaker, visited each family in late summer or early fall and remained until a new supply of shoes had been provided for the whole family from hides saved during the past months. John Christy, a silversmith, operated in the same way, making silver spoons and cups for customers from Spanish-milled dollars.[48]

When storekeepers entered such communities they compensated for the limited nature of the market by diversifying their economic activities. If they were successful in their efforts a village or town often developed. For example, Magnus S. Teague of Virginia was responsible for the growth of the village of Bluff Springs in Attala County, Mississippi. In 1823 he opened a general store in connection with a ferry across Big Black River. Teague also operated a sawmill, a gristmill, and a distillery. As the community developed he provided a post office, schoolhouse, Masonic-lodge building, blacksmith shop, church, and a site for a cemetery from his neighboring landholdings.[49] Similarly, Huntsville, in Montgomery County, Mississippi, developed from the store, saloon, and tenpin alley which Wilson Hunt established in 1844. In addition to these activities Hunt engaged in farming and operated a distillery to provide liquor for his saloon.[50]

As towns developed artisans established permanent residences and let customers come to their shops to have work done. This permitted them to make up quantities of goods in anticipation of sales. In many cases they also began to purchase stock from wholesalers as manufacturing developed. Curtis Wilkinson of Salisbury, North Carolina, in 1820 advertised that he carried on

[48] Reminiscences signed "Opa" in Fayette *Chronicle*, Dec. 14, 1888, Source Material for Mississippi History, Jefferson County, XXXII, Part 1, p. 9.

[49] Source Material for Mississippi History, Attala County, IV, Part 1, p. 48.

[50] Source Material for Mississippi History, Montgomery County, XLIV, 12.

watch and clock repairing and gold and silver smithing. New workmen and materials from New York enabled him to make jewelry and silverware according to customer specifications. In addition, he carried a supply of ready-made jewelry, watches, and silverware.[51] John R. Garland of Greenville, South Carolina, in 1826 had not reached so advanced a stage. Under the heading of watchmaker he advertised that he had established permanent quarters in Greenville, where he would repair watches and make goldware and silverware on moderate terms.[52] Advertisements of shoemakers in a stage of transition from simply making shoes on order to retailing supplies imported from northern factories were quite common. Benjamin Omes of Milledgeville, Georgia, in 1824 advertised New York footwear along with the statement that he still continued to make shoes.[53]

Once such men added manufacturer's stock they had started on the road to retailing, and local success then determined whether they would become merchants running specialized stores, return wholly to making goods on order for customers, or continue a hybrid manufacturing-retailing organization. All three solutions prevailed throughout the ante-bellum period, the varying rates of progress toward specialization in various parts of the South making one or another most common in certain areas.

This varying rate of change toward specialization makes any general conclusions for the whole South most tenuous. Montgomery, Alabama, illustrates the rapid changes which could occur in less than half a century. In 1821 the town had some six hundred inhabitants, ten stores of "assorted merchandise" (general stores), and a great variety of artisans—carpenters, bricklayers, cabinetmakers, saddle and harness makers, blacksmiths, watchmakers, silversmiths, tinsmiths, and shoemakers.[54]

The Montgomery *Daily Post* in April, 1860, published a local business directory listing the great variety of specialized stores which had developed. Bookstores, boot and shoe dealers, china, glass, and earthenware stores, clothing stores, coachmakers and carriage makers, coach and carriage merchants, confectioners,

51 *Western Carolinian*, July 25, 1820.
52 Greenville *Republican*, Oct. 7, 1826.
53 *Southern Recorder*, June 8, 1824.
54 Montgomery *Republican*, Feb. 17, 1821.

dressmakers, druggists, dry-goods stores, fancy-goods establishments, fruit dealers, furniture dealers, groceries, a sportsman's store, stationers, and jewelers were included in the list.

Smaller towns did not reach the same degree of specialization. Eutaw, the seat of government for Greene County, Alabama, had a population of 1,200 in 1856 and also served a prosperous planter area. Four dry-goods stores and one clothing store, three drugstores, one confectionary, one bookstore, and several grocery stores handled the business. Clinton, eight miles away, and with 250 people, had four dry-goods establishments, one grocery, and one drugstore. Havana in the same county, with only 80 people, had two dry-goods stores and a drugstore.[55]

By this time many firms which still carried some groceries were listed in directories as dry-goods stores if they placed greater emphasis on the latter. General stores were still to be found in a flourishing condition everywhere but in the very largest towns, and storekeepers continued to advertise both as wholesalers and retailers. For example, the Athens, Georgia, paper in 1852 carried the cards of a number of local merchants, all offering goods in both ways. Included were Newton and Lucas—dry goods, groceries, clothing, and hardware; William N. White and Brothers—books, stationery, maps, and musical instruments; W. P. Sage—jeweler; Doctors Hill and Smith—drugs; T. Bishop—groceries; and Thomas H. Wilson—dry goods and groceries.

Such developments justify some general conclusions. First of all, although specialization had made rapid progress in the course of sixty years, general stores still operated over a wide area and in large numbers. Secondly, specialized stores had developed to the greatest extent in towns and sections of sufficient population to create a great demand for goods. Montgomery, for example, was much more specialized than smaller Alabama towns. Thirdly, artisans in some cases had moved over completely to the retail field, the early appearance of jewelry stores, started by men who had originally repaired watches and worked in gold and silver, offering an illustration of the case in point. Not all developed in this manner by any means, but specialization undoubtedly received an impetus from this evolutionary development, since general merchants found it more difficult to concen-

[55] V. Gayle Snedecor, *A Directory of Greene County for 1855–6* (Mobile, 1856).

trate on jewelry, tinware, or shoes than did artisans who had originally both made and sold such items. Fourthly, the most common development from the old general store had been in the direction either of a dry-goods establishment or a grocery. Fifthly, drugstores had developed early, perhaps most of all because doctors frequently started these in conjunction with the practice of medicine. Lastly, drugstores, dry-goods, grocery, jewelry, and clothing stores, and bookstores probably represented the most common lines of specialization, and followed somewhat that order of development throughout the South.

Influences operating to control prices and stock turnover consisted again of both national and local factors, with the latter again the more important of the two. Markups, in comparison with modern practices, were extremely high. These commonly ran around 100 per cent on the original cost of merchandise to wholesalers at the opening of the century and occasionally reached 150 per cent. After wholesalers had added this heavy advance in disposing of goods to retailers, storekeepers advanced the price in the same ratio. These markups tended to decline with the passage of time, but they remained extremely high throughout the ante-bellum period.[56]

[56] See advance by wholesaler of 150 per cent, item dated May 24, 1804, John Hamtranck Papers. William Murrell paid a 70 per cent markup in Charleston in 1800, letter June 21, 1800, Letter Book, 1795–1812, William Murrell Collection. Philip Grasty paid advances of 50 to 150 per cent, with 100 per cent the most common, on goods bought in Virginia and eastern wholesale centers in the period 1800–19, Invoice Books, 1799–1806, and 1806–19, William C. Grasty and John F. Rison Papers. A Charleston wholesaler in the fall of 1842 wrote his partner of one firm opening sales of white Welsh Plains costing 18½ cents a yard at 65 cents. He himself had sold the same item to storekeepers at 55 cents when it had cost him 15 cents, and another grade which had cost 15½ cents at 58 cents. Letter Oct. 4, 1842, William B. Birnie Papers, 1836–1865, University of North Carolina Library, Chapel Hill.

Philip Grasty added another 100 per cent to his goods before selling them, Inventory Book, 1801–1806. David Clark of Scotland Neck, North Carolina, in 1815 and 1816 sold at 33⅓ per cent to 40 per cent on the cost of his goods laid down at his store. Letter Feb. 27, 1819, Letter Book, 1815–1820, John Hogg Accounts. Daniel Loring retailed boots in South Carolina in 1810 at a 100 per cent advance. Typewritten copy of testimony of Roswell Spraigue of Charleston, August 5, 1824, in case of Charles Watson v. George W. Pitts, Alabama Dept. of Archives and History. T. T. Wyche of Macon, Georgia, operated a general store in 1835–36, selling several wholesale orders to storekeepers in surrounding country. If the price, plus a flat 25 per cent which John L. Woodward paid on January 16, 1835, is checked against Wyche's retail prices, it is evident that Wyche sold writing paper at a 50 per cent advance, starch at 100, Bateman's Drops at 200, and shirt bosoms at less than 30. See Day Book, 1835–36, Georgia State Dept. of Archives and History,

As already indicated, the generous and long-term credit system accounted in part for this large advance in the cost of merchandise. Transportation was perhaps even more important, not only because of the high freight rates which prevailed but also because of the slowness and difficulty with which goods were moved from wholesale centers to the ultimate consumer. Stocks of merchandise were turned generally no more than twice a year, a "spring and summer" assortment being followed by "fall and winter" goods. Businessmen recognized the influence of transportation problems on this. The Panic of 1857 naturally led to an appraisal of weaknesses in current business practices, and the credit system again was criticized. Wholesalers were accused of continuing to grant long-term credit to country storekeepers, although some now felt that improvements in railroads and the development of the telegraph had reduced legitimate mercantile credit needs to as little as four months.[57] Such critics failed to recognize that farmers who concentrated on a single yearly cash crop still needed long-term credit, which would necessitate the same treatment for storekeepers who served them, but the emphasis on improvements in transportation which were making possible a radical change in mercantile policy was decidedly sound. Rapid and reliable methods of communication and transportation facilitated a greater turnover of stock wherever they existed, and with this a marked reduction in the cost of goods to the ultimate consumer.

Here again southern storekeepers were fully aware of the advantages of turning stock rapidly and sought to adopt the program even before communication and transportation permitted. The New York Dry Goods Emporium of Huntsville, Alabama, in 1844, advertised its intention to sell for reasonable profits on

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Atlanta. J. H. Jelks of Uchee, Alabama, in 1852 figured book profits at from 30 to 100 per cent. Letter May 11, 1852, Sills-Jelks Papers. J. Gray Smith, who claimed to be a naturalized citizen, used such seemingly fabulous markups as evidence of the great wealth to be had from merchandising in a pamphlet which he published in London in 1842 in an effort to encourage English tradesmen possessed of some capital to migrate to the United States. Goods, he said, sold at a 100 per cent advance and, since charges, carriage, and exchange did not exceed 30 per cent, a profit of 70 per cent was realized on almost all items except sugar and coffee. J. Gray Smith, *A Brief Historical, Statistical and Descriptive Review of East Tennessee, United States of America. . . .* (London, 1842), 54–55.

[57] Article from New York *Post* reprinted in Baton Rouge *Weekly Gazette and Comet*, Oct. 18, 1857.

the basis of turning the same capital over several times within a short period.[58] Salisbury, North Carolina, storekeepers in some cases in 1844 advertised monthly arrivals of goods from eastern markets and this, perhaps, was the basis on which the editor of a local paper claimed superiority of the local market for mountain traders. Some local stores, said he, had started trading on the "Northern plan" to a certain extent, namely, a small profit frequently made. Instead of expecting 100 per cent on each sale as formerly these stores now received only 25 per cent but had four times the previous volume of trade.[59] The economics of the argument were generally sound, but local advertising showed that the twice yearly arrival of goods still dominated the picture. The phrase "Nimble Sixpence is better than the Slow Shilling" sometimes appeared in local advertising also.[60]

The development of the seasonal business pattern and the continued slow turnover of merchandise, with a consequent high cost to the consumer, are faithfully recorded in the advertising records of southern country newspapers. Coastal city papers were using the terms "spring and summer" and "fall and winter" to designate the two business seasons before 1810, and as soon as country towns developed to a point where newspapers could be supported the same terminology appeared in these. Extant files of country papers seldom go back before 1820, and it is impossible to check the development of seasonal advertising as closely as desirable in the preceding years. Apparently, however, an evolutionary development roughly of the following sort occurred. Storekeepers on first coming to a new community brought a stock of goods with them, generally staple items, which they bartered for crops and produce. If the venture proved profitable they continued in the same line, bringing in a new stock each fall to barter for the farmer's crop.

As the community developed in wealth and the standard of living rose, the storekeeper also added a second stock in the early spring months, this time more in the nature of luxury items, since they were not absolutely essential. Advertising thus stressed correct fashions in spring goods somewhat more than for staple

58 *Democrat*, March 20, 1844.

59 *Carolina Watchman*, advertisement of J. and W. Murphy, Nov. 4, 1844; editorial comment, Nov. 29, 1845.

60 *Yazoo Democrat*, April 5, 1854, advertisement of Louis Franklin.

importations in the fall months. Fall and winter importations and advertisements became routine somewhat ahead of spring and summer business advertisements; even after the latter became common, the tendency to advertise at greater length in the fall lingered on.

By the 1830's both seasons were well recognized, and in the next twenty years spring advertising in some papers surpassed that in the fall, apparently on the theory that people would purchase necessities anyway. Specific evidence is hard to cite for this evolutionary development since it came with a slowness that does not yield readily to exact measurement at any one point. Storekeepers themselves were cognizant of the change, notwithstanding, and some commented on it. Thomas McCalley of Huntsville, Alabama, in 1850 claimed that he had bought prudently in the spring and had let his general stock decline during the summer in order to lay in a full supply of new goods for the fall trade. In this way he hoped to escape the evil effects, now so common, of devoting great pains to spring purchases with a consequent neglect of the fall trade.[61] Thirty years earlier storekeepers would not have understood the point which he was trying to make. Coltart and Son of the same town in 1856 recognized the prevalence of the two-season pattern of advertising in the statement that it had long been the custom for storekeepers to announce arrivals of new goods. They boasted of twenty-five years in the field, with goods never failing to arrive at their store as regularly as the change in seasons, but, as "customs were law and printers must live," they were ready to list their new "spring and summer" goods for public attention.[62]

Although this pattern fitted nicely into the cycle established by the production and marketing of crops, and was created originally in conscious relationship to this, transportation and purchasing problems played the greater part in its retention over such a long period of time. Customers certainly would have welcomed weekly arrivals of goods in their communities after the pioneering days had passed. Storekeepers could not afford the time and expense involved in frequent trips to eastern markets, however, and there were drawbacks to purchasing in any other way. Fundamentally, these revolved around difficulties

[61] *Democrat*, Oct. 3, 1850. [62] *Ibid.*, May 1, 1856.

in transportation and communication and the lack of standardization of prices and grades of merchandise in wholesale centers. Brand names and labels today insure a measure of uniformity of treatment in prices and quality and enable storekeepers to order by mail with some confidence that they will not be loaded with items which will not sell in competition with those of another store in the same trade area. Furthermore, the rapidity of delivery on orders in the modern period makes it decidedly easier for storekeepers to meet changing customer demands.

In the ante-bellum period orders by mail were much more of a gamble. An order by a North Carolina storekeeper to New York City by mail in the spring of 1849 was fairly typical of such procedure and of the difficulties involved. He asked for a shipment of summer calico costing between five and ten cents a yard, shirting at four-and-one-half to five cents a yard, a better grade of the same at six to ten cents, and a quantity of Irish linen at thirty-five cents a yard. His request for the lowest possible prices did not limit the wholesaler greatly within the price range which had been suggested. Obviously a difference of five cents a yard in cheap goods such as calico might permit a competing store to gain an ascendant position in the summer trade. An additional request for the latest patterns [63] came probably from a dread of receiving old stock, as country storekeepers sometimes complained of being imposed upon in this way when ordering by mail. Men tried to avoid such risks on major purchases and generally limited themselves to buying these in person. Two trips a year to wholesale markets with heavy advertisements of "spring and summer" and "fall and winter" merchandise remained the rule, even near the close of the period.

An occasional advertisement in the 1830's did foreshadow a practice which became quite common in the 1840's and 1850's, a policy of announcing midsummer and midwinter bargain sales to close out seasonal stocks before the arrival of new goods. Thus Hastie and Nicol of Greenville, South Carolina, in August of 1835 offered the remainder of their summer goods at low prices for cash in order to clear their shelves for fall and winter stocks.[64]

[63] Letter March 31, 1849, H. B. Eilers Letter Book, 1846–1850, University of North Carolina Library, Chapel Hill.

[64] *Mountaineer*, Sept. 19, 1835.

The announcement in December of 1846 by Phillips and Lanoue of Baton Rouge concerning new low prices on all dress goods and winter stock in anticipation of spring arrivals typified a development which by then had become common everywhere in the South.[65] In some cases the public was more pleased than the storekeepers with this procedure, as indicated by an advertisement in the Athens, Georgia, paper in 1852: "We are requested to state that F. W. Lucas, and most of the Dry Goods Merchants of the place are offering some styles of Dry Goods at Cost, and some far below cost; so that those who have a mania for buying goods with the charm of cost attached to the price can be accommodated by almost any store in the place." [66]

Such clearance sales helped to complete the twice yearly turnover, but they did not, of course, mark any special advance over the old fall and winter and spring and summer system.

Advertisements of stores which claimed to receive goods regularly at short intervals appeared quite early. King's Cash Store at Montgomery in 1831 claimed that eastern purchasing agents would keep the firm supplied with merchandise weekly, and J. T. Browne of the same town in 1846 advertised weekly receipts of groceries and dry goods from his purchasing partner in Mobile.[67] Such advertisements were not uncommon everywhere, an indication again of mercantile appreciation of advantages to be had from more rapid turnover of goods, but they were not typical, nor did they seem to lessen the tendency of the very firms using them to advertise large shipments of goods at the regular two-season periods.

While the general tendency has been to credit the Civil War with the remarkable changes which occurred in the pattern of southern business organization,[68] it is evident that these were foreshadowed by certain developments in the 1850's. The trade cycle remained constant in that decade, but improved transportation and communication were exerting a real influence for change in the conduct of business within the broader pattern.

[65] Baton Rouge *Gazette*, Dec. 26, 1846. [66] *Southern Banner*, July 29, 1852.

[67] *Alabama Journal*, Nov. 19, 1831; *State Journal and Flag*, Jan. 9, 1846.

[68] See, for example, Chap. I of Allan Nevins, *The Emergence of Modern America, 1865–1878* (New York, 1932). Comments here on economic changes in the years immediately following the war give the impression that country stores were virtually nonexistent before the conflict and that the economic pattern established after its end was a new rather than a modified system.

Certainly, political historians have made too much out of the democratizing influence of the Civil War on southern class structure and the consequent rise of the crossroads store, and too little out of changes in the market occasioned by improvements in communication and transportation which permitted new ways of doing business.

Storekeepers in the 1850's became less interested in listing the two-seasonal arrival of goods and devoted more attention to publicizing their general business policies, a shift in emphasis occasioned largely by the more frequent arrival of merchandise. The change was most evident in towns with good railroad connections or with easy access to wholesale markets. Columbia, South Carolina, for example, had reached a relatively high degree of specialization in the 1850's, and local storekeepers played up short seasonal periods like Christmas in their advertising since they could acquire goods quickly. New methods of communication were in evidence. The Adams Express Company advertised safe, cheap, and speedy transmission of freight in all directions from Columbia.[69]

Detailed studies of favorably located towns would show marked changes by the 1850's, but these were not as yet typical of much of the South. The comments of Charles E. Robert on changes observable by 1870 in southern trade more nearly reflected the truth. He pointed out that before the war storekeepers bought goods only twice a year, in the fall and spring. By 1870, however, Nashville wholesalers noted a marked difference, with country storekeepers now making frequent purchases in the interest of fresher stocks.[70] The change was on its way by the eve of the Civil War, but the pattern still generally remained distinctly a two-seasonal one. Unfortunately, however, political historians with an eye on the great upheavals occasioned by the war itself have tended to trace all modifications within the South to the effects of war, and even to mistake these for a seemingly complete new system of merchandising to meet the needs of an entirely new southern middle- and lower-class society.

The failure of state banking systems within the South to achieve stability and to provide adequately for the financial

[69] *Daily Carolina Times*, Dec. 24, 1855.

[70] Charles E. Robert, *Nashville and her Trade for 1870* (Nashville, 1870), 68–69.

needs of the lower and middle classes reflected itself in the extent to which storekeepers assumed banking functions. Generous and long-term credit was extended to farmers in 1860 just as it had been in 1800. In some communities banks were nonexistent, and here all banking functions were handled by local stores. The Grastys operated in this manner for almost half a century in Pittsylvania County, Virginia. The account of a Mrs. Susan Black, obviously an elderly woman, at their Mount Airy store from March, 1837, to December, 1838, indicates the range of functions which they performed. During the time Mrs. Black bought dry goods, groceries, hardware, spectacles, and a varied assortment of other things. The storekeeper paid $9.00 to a midwife for service to her slaves, paid medical, postage, and tax bills, bought provisions for her, and settled accounts of men who had worked on her farm. By February, 1838, her account had reached $573.83, for which she settled in part with wheat and tobacco crops, and also with small quantities of feathers and tallow. These reduced the amount owed to $127.35, and on March 1, 1838, this was paid in some unexplained manner. Mrs. Black obviously used the store as a source of cash and as a means of settling her accounts. The Grastys occasionally had customers who wished to leave money on deposit. On April 22, 1839, Captain Edmund Fitzgerald deposited $100, which was to be returned on demand and to bear 6 per cent interest in the interval. A Mrs. Mary Stone left $210 at the store on exactly the same terms on May 17 of the same year.[71] Generally such deposits with country stores simply bore the notation "for safe keeping." [72]

Although banks lessened the demands on country stores for financial services, they did not provide a complete solution by any means. Paper currency of state banks was printed in so many denominations and series that counterfeiting was encouraged by the difficulty of keeping acquainted with the appearance and design of legitimate money. Storekeepers were aided in this by

[71] William T. Smith operated the Mount Airy store while Mrs. Black was a customer. William C. Grasty and John F. Rison Papers.

[72] See entry April 19, 1820 of $97 for "safekeeping" for P. J. Murray, Cash and Invoice Book, 1820–1833, of Morris and Farmer of Carnesville, Georgia, Georgia State Dept. of Archives and History, Atlanta. See also cash advances in Feb., 1832, in Journal of a General Store at Harrisonburg, Louisiana, Feb.–March, 1832, Louisiana State University, Baton Rouge; Journal, 1834–36, of a Claysville, Alabama store, Montgomery Museum of Fine Arts, Montgomery.

enterprising publishers who printed descriptive catalogues of money in current circulation and sold these "counterfeit detectors" to the public. On the basis of newspaper reports, it appears that storekeepers discovered more counterfeit currency in circulation than did the banks. Time and again country papers carried accounts similar to the report on J. and W. Murphy's store at Salisbury, North Carolina, in 1844. Counterfeit bills on the Merchants and Planters Bank of South Carolina had been presented in the course of trade. The Murphys had recognized these as counterfeit and had notified the editor. He in turn described the bogus paper and how it differed from the genuine so that citizens of the community could be on guard.[73]

Even more of a problem was the fluctuating value of state-bank paper, which meant that a storekeeper had to know the true value of notes of numerous banks in all states if he was to escape losses from accepting these at more than they actually were worth. His problem was still more complicated by the necessity of giving such currency its approximate value when presented by his customers since underrating it would lose trade for him or irritate the possessor who had accepted the note for more than he was now being allowed. The whole situation was loaded with trouble because of the encouragement given to manipulation and speculation in bank currency by fluctuations from par values. The Huntsville, Alabama, paper in 1820, for instance, charged that eastern money was being exchanged for "trash" bank paper and the latter then paid out for cotton at better rates than those who were engaging in the practice had given in the first place.[74]

[73] See advertisement of Thompson's Counterfeit Detector by Ford's Newspaper and Periodical Agency, Petersburg (Va.) *Daily News*, Aug. 30, 1850; comment on Murphy discovery of counterfeit money in *Western Carolinian*, May 18, 1844.

[74] Letter signed "Brutus" in *Alabama Republican*, Oct. 6, 1820. Local storekeepers apparently were not guilty of the practice at the time, but they did deal in exchange. P. Yeatman and Company, for instance, in 1820 offered a premium in exchanging Huntsville and Tennessee bank notes for notes on the United States, Virginia, Georgia, North and South Carolina, Mississippi, and Louisiana, and for specie. *Ibid.*, Sept. 22, 1820. Storekeepers displayed ability in dealing in exchange. Hogg and Meng of Fayetteville, North Carolina, in 1803, for example, received $1,800 from an individual wishing to buy exchange in the back country. They succeeded in buying this for a 2½ per cent discount, and charged one half the gain for performing the service. They had detected $210 of counterfeit money in the amount originally sent, and had also used silver instead of ragged bills to further their aim of buying the exchange at the lowest possible rate. Letter Dec. 30, 1803, Letter Book of Hogg and Meng, John Hogg Accounts.

Since notes of local southern banks frequently circulated for more locally than in eastern cities, some storekeepers seem to have capitalized on this by obtaining such currency from eastern businessmen who had accepted it at heavy discounts and then using it to purchase crops in their own community.[75]

The possibilities for trouble naturally reached a peak in the depression period following the Panic of 1837. The Montgomery paper in 1842 reported such a conflict which had arisen between "brokers, capitalists and merchants" on one hand and local farmers on the other. The latter apparently had held a series of meetings to protest against collection of store accounts and other debts in specie or bank paper of recognized par value. Instead, farmers felt that depreciated bank currency should be accepted at a liberal estimate of its value. "A Merchant of Barbour County" wrote a letter covering four-and-one-half columns in the local paper and stated the mercantile case. He charged farmers with taking high prices for their cotton in depreciated currency when they knew it was greatly depreciated, and then with presenting this to local stores in the expectation that it would be accepted at par values. Since Alabama paper was actually worth only 60 per cent of par and storekeepers never made more than a 25 per cent net profit, the letter writer argued that all classes should bear a just share of the loss occasioned by a decline in the actual value of bank paper.

The editor attempted to soften the effects of the letter by commenting that farm meetings did not advocate stay laws or the cheating of creditors; they merely wanted moderation in the collection of accounts until a new crop had been made. This brought another letter from a storekeeper charging that the writer had heard speakers at a Montgomery meeting insist on ruling out the word "legal" in a resolution before the group to use all legal means to prevent collections in specie. His letter was quite impassioned: "Is it not time that the merchants should be awakened from so fatal a lethargy? Have they never asserted their rights

[75] James Wright ran a store and bought cotton at Society Hill, South Carolina, in 1820. In 1827 he purchased North Carolina money in New York City at 4¾ per cent discount, this apparently being used by Davis and Matthews at Fayetteville, North Carolina, and Cheraw, South Carolina, to purchase cotton in the fall months. Letters Oct. 16, 1820; Aug. 2, Oct. 26, and Dec. 7, 1827, Dolphin A. Davis and John Matthews Letters, 1820–29, Duke University Library, Durham.

because they have never had any? Shall the planter exult over their misfortunes, who have so largely contributed to their joy?"[76]

Here, in a period of depression, the issue was fully joined. Farmer and storekeeper alike wanted the depreciated currency to change hands in a manner calculated to benefit the class to which he personally belonged. Since storekeepers lived constantly with this problem of valuing depreciated currency with a nicety which would please all parties involved, they felt it more than farmers, and out of this came much of the marked mercantile sentiment in favor of sound banking principles.

Since much of the merchandise sold in country and interior stores came from eastern markets the problem of making payments for this involved the transmission of money or credit over great distances. Here again, difficulties in communication and transportation complicated matters. As already indicated, payment of wholesale bills depended in the final analysis on farm crops. Storekeepers shipped these to southern or outside markets and credited the proceeds to their wholesalers. In this way the transmission of money could be avoided. William M. Shute of Montgomery, Alabama, disposed of cotton through Sayre, Converse and Company in Mobile, and in turn drew on them to meet his wholesale bills in the East.[77] This represented the most common and most satisfactory procedure by far.

Other methods of meeting obligations in distant places had to be employed at times, however, even though they involved greater problems. Storekeepers bought exchange on the East as one method of meeting bills, but this fluctuated too violently to be relied upon with any certainty of what it would add to operational costs.[78] In the absence of postal money orders and similar devices small accounts often were paid by sending paper money

[76] See letters and discussion in *Alabama Journal*, Sept. 14 and 28, 1842.

[77] Letters Oct. 28, 1835, and Jan. 21, 1836, Letter Book of William M. Shute.

[78] Examples are voluminous. The Baton Rouge *Gazette* on April 2, 1842, reported exchange on New York City at a premium of 2¼ per cent to 2¾ per cent; on August 19, 1843, it reported the rates at 4½ per cent to 5 per cent discount. John Read of Huntsville, Alabama, bought a check in New Orleans on the Phoenix Bank in New York City for $10,000 in July, 1835, paying $50 for this, or a premium of ½ per cent. In October, 1837, he paid as high as 15 per cent to 20 per cent for exchange. Journal, 1835–38, pp. 92, 482.

through the mails, and even larger accounts had to be settled in the same manner at times. Thus, even though he had an arrangement with a Mobile agent for settling eastern accounts, William M. Shute sent $3,000 in ten-dollar bills by mail to New York City in November, 1836.[79]

The continuous hunt for satisfactory methods of meeting eastern bills constituted the best evidence that financial circles had not worked out a system which would relieve storekeepers of their worries in that field. High costs and uncertainties in the actual transmission of credit itself also continued to plague the storekeeper. This accounted for the marked tendency to ask travelers to carry money when they were going in the direction where obligations had to be met. Peter Mallett, a North Carolina businessman, obliged a Cheraw, South Carolina, storekeeper by carrying $3,390 in cash to his partner at Fayetteville, North Carolina, in 1827.[80] Wagoners going after goods for an interior store often acted in the same capacity.[81]

The tendency to ask travelers to perform such services provided the basis for one of J. G. Baldwin's humorous stories. According to his version, a visitor to the deep South in 1836 had some $1,200 in the currency of his home state, North Carolina, which he wished to transfer back. Through fear of robbery in the Creek country on his way home, however, he bought exchange on Raleigh for 5 per cent from the local broker. The latter asked him to carry a letter addressed to the Raleigh agent on whom the exchange was drawn. The trip through was made with no difficulty, and in due time the traveler presented his draft and the letter to the Raleigh agent. The agent tore open the letter and extracted $1140 of the same money which the traveler had handed to the broker at the time of purchasing exchange. In this way the draft was met, with the traveler having paid a commission of 5 per cent for carrying his own money home. The original broker was pictured as having provided perfect safety for himself on the transaction. He had received his commission and the

79 Letters Nov. 4 and 5, 1836, Letter Book of William M. Shute. A record was made of the number, denomination, and type of note in each mail, and Shute had witnesses present to prove that the money had been mailed.

80 Letter Dec. 7, 1827, Dolphin A. Davis and John Matthews Letters.

81 Letter May 26, 1798, Letter Book, William Murrell Collection.

exchange from the same man. Draft and money had to arrive together or not at all, since the same man carried both. Thus the broker had profited without outlay or risk.[82]

When money had to be entrusted to the mails it was a common practice throughout the whole of the period under review to cut the money in halves and to send these by separate mails.[83] Thus, on January 6, 1832, a George Flowers mailed a letter from Pisgah Post Office in North Carolina to Lancaster Court House in Virginia. It contained one half of United States fifty-dollar bill number 768, and also the "right hand end" of United States one-hundred-dollar bill, number 3690.[84] The other parts could be sent in the next mail. By so doing the risk of loss would be spread. If both mails arrived safely, the parts were pasted together and restored to circulation. If one was lost, the whole amount seemingly could be recovered, if the owner was willing to go through a long and expensive legal process and posted bond to guarantee the bank of issue against loss if someone found and presented the missing halves after the full amount had already been paid. If the owner was unwilling to do this, he was paid in proportion to the amount of the bill presented, one half of the face value for one half of the bill.[85] As late as the 1850's

[82] J. G. Baldwin, *The Flush Times of Alabama and Mississippi. A Series of Sketches* (New York, 1846), 151–52.

[83] Letter Sept. 23, 1798, Letter Book, William Murrell Collection; letter Dec. 8, 1855, Peter Mallett Papers, 1849–1888, University of North Carolina Library, Chapel Hill.

[84] Postmaster's advertisement, *Western Carolinian*, March 12, 1832.

[85] One letter containing halves of $322 in bills in transit to Mallett and Paulmier of New York was lost in 1856 and they wrote to the various banks which had issued the notes about redeeming the halves which they held. The cashier of the bank at Wilmington, North Carolina, claimed that he ordinarily did not furnish much information on such requests but since he knew the firm slightly he would outline procedure for redemption. If they wished to apply for the whole amount they must provide conclusive proof of ownership, and the postmaster must furnish written evidence of having mailed the missing halves. A bond for double the amount claimed must be posted to protect the bank, and all stages in procedure of redemption must be duly witnessed in courts of record. The cashier of the bank at Fayetteville wrote four lines, saying his institution would pay for the bills as they were presented, one half the money for one half the bill. The cashier of the bank at Wadesboro, North Carolina, also offered to pay one half, and replied to the question of whether the other half of the bills which Mallett and Paulmier had obtained from his institution had been presented or not by saying that he did not know. On several occasions his bank had received half bills, said he, but these had been sealed up and laid away where it would be considerable trouble to get at them. Other banks limited themselves generally to brief replies saying that they would pay for the notes as presented. Letter March 5, three letters March 6, and one letter March 7, 1856, Peter Mallett Papers.

the United States Circuit Court at Richmond was requested to pass on the responsibility for loss in a case where a wholesale house asked a storekeeper to remit money through the mails.[86]

Such conditions easily explain the pronounced interest of storekeepers in improvements in banking, communication, and transportation. Many entered the banking field after communities had developed to the point where specialization was possible. For the ante-bellum period as a whole, however, storekeepers had to handle many financial functions which have fallen to more specialized agents in the modern period.

86 "Remitting Money in the Mail," *Hunt's Merchants' Magazine* XXIX (Nov., 1853), 586.

Chapter Eight

The Storekeeper and His Place in Southern Society

Storekeepers represented a wide range of personalities and interests, even within the smaller towns. Franklin, in the Louisiana sugar bowl, with a population of only 106 property owners and 141 slaves in 1847,[1] illustrates the variations to be found among members of southern business communities. Dr. William Rabe, who operated the local drugstore, combined all the elements of a perfect showman in his restless nature. Rabe had opened his first drugstore in the little back-country town of Greenville in his native state of South Carolina some time in the 1830's.[2] This village was located on one of the main routes over which Kentucky and Tennessee hog drovers moved their stock to southern markets. Planters brought their families to the community in the summer months in an attempt to escape the heat and sickness of lower altitudes.[3] Rabe thus had an opportunity to observe all classes in his early years, from the mountaineer hog drovers to the aristocratic low-country society visitors.

He apparently led a very sedate existence during his Greenville residence. His newspaper advertisements displayed the usual dreary, matter-of-fact tone so common at the time, and his actions aroused no comment by the editor of the local paper. He must have been restless even then, however, for by 1840 he had surrendered his drugstore to a younger brother, Charles.[4] There is little surviving evidence of his movements for the next few years, although he probably managed a drugstore at Laurens Court House near Greenville for a time. Charles Rabe's advertisements mentioned this store along with his own in the 1840's, and

1 *Planters' Banner*, Aug. 5, 1847.

2 Advertisement of Charles Rabe in Greenville (S. C.) *Mountaineer*, Sept. 11, 1840.

3 Greenville *Republican*, May 12, 1827.

4 *Mountaineer*, Sept. 11, 1840.

boasted of the cheap prices offered by "Dr. Rabe and Company," through an ability to order supplies of merchandise in quantity.[5] Both brothers advanced in status from mere druggists to doctors in the same period. Perhaps William made the transition in the same manner as Charles. In 1840 the latter offered free medical advice to patrons of his drugstore, advertised as "C Rabe, Apothecary. Licen. Med. College of S. C." in 1842, and then as "Dr. C. Rabe" in 1843.[6] The Laurens store soon disappeared, however, and Charles reduced his advertising greatly during the remainder of his stay at Greenville.

Sometime during this period William moved to Franklin, Louisiana, where he was free from the restraint of his boyhood community. This village already had a strangely assorted group of storekeepers—Jews, French Creoles, and Connecticut Yankees. Here William first displayed his talents for showmanship. His first advertisement in 1846 described his wholesale and retail drugstore and promised to maintain prices comparable to those prevailing in New Orleans.[7] Rabe's stock extended far beyond the usual drugs and patent medicines. Christmas presents, toys, perfumes, fancy French dry goods, and a bewildering variety of other items could be purchased at his store. On the completion of a new store building in 1847, "Apothecary's Hall," he received a very complimentary notice from the local editor. The latter praised Rabe's business ability and the high respect accorded him as a chemist by physicians, and then perhaps weakened it all by commenting that "he understands the bearing of the press upon business." [8] Certainly the volume of advertising which he contributed to the local paper involved a considerable sum of money.

In the next few years Rabe displayed considerable ingenuity in advertising his business. Unlike so many storekeepers, he did not stop with a mere listing of his wares and a general statement of business policy. Announcements were directed toward specific groups—leather preserver was called to the attention of carriage and harness dealers, and books on midwifery were recommended to doctors. Drugs took on an added significance when advertised in terms of two barrels of castor oil or three of Epsom salts.

[5] *Ibid.*, Sept. 9, 1843.
[6] *Ibid.*, Aug. 12, 1842, and June 16, 1843.
[7] *Planters' Banner*, Jan. 3, 1846.
[8] *Ibid.*, June 24, 1847.

The arrival in 1847 of a competitor with recommendations as a chemist from the B. Sillimans of the Yale College Laboratory stimulated Rabe to greater efforts, and he announced that he would not be outdone in any respect. In 1848 he advertised a display of white rats, a seven-foot snake, a lamb with two bodies and only one head, an assortment of powerful microscopes to show the curious, books, stationery, candy, and fancy goods for the ladies, "medicine enough to cure the whole parish," and for his old customers "a lot of accounts on hand to exchange for bank notes and drafts." [9] Rabe already had added a soda fountain to dispense ice cream, soda water, iced lemonade, and ginger pop.

During this same period he held the attention of the editor and his readers with plans to improve the local community. On one occasion he received considerable publicity over his suggestion for building brick shops to attract needed artisans to the town. Rabe also engaged in a newspaper dispute with the clerk of the local police jury over the latter's failure to provide $30 to purchase buckets for the fire company of which Rabe was captain. When the clerk seemed in a fair way of winning his point in the exchange of letters, Rabe silenced him by suggesting that both pay the editor for any additional comments inserted in the local paper. Rabe himself paid for uniforms so that his fire company could also act as a military unit in case of need. His fame spread even beyond the limits of Franklin through judicious comments to the effect that he planned to establish branch stores in neighboring communities.[10]

In spite of Rabe's desire for notoriety, he apparently had the largest drug business in Franklin. Nonetheless, his restless spirit apparently would not permit him to remain for long in one place. His brother Charles arrived from Greenville in 1848, and the local editor was given the impression that additional Rabe talent and capital would soon be available. Shortly thereafter, William announced his intention of going to New York City to prepare a scientific expedition for the exploration of Central America. Not until Charles had taken over the store in 1849 did William

[9] *Ibid.*, March 30, 1848.

[10] The account of these activities appear in letters, editorials, and advertisements, *ibid.*, for the years 1846–48.

admit, in an advertisement inviting his customers in for a final drink and settlement of accounts, that he intended to go to the California gold fields.[11]

He had been too interesting a character in his short stay at Franklin for the editor to permit him to leave without a promise of letters describing his further adventures. William obliged with a letter from New York on March 20, 1849, announcing his departure for Central America. With characteristic modesty he stated that other Attakapas-Parish citizens bound for California had chosen a later vessel. "They would not trust themselves on the Maria Burt, but since the whole trip is to say the least, *rather* adventurous, I took the first chance." [12]

Rabe wrote again from Chagres on April 5, from where he expected to depart before long in a knockdown boat which he had brought from Franklin. He was carrying a stock of goods to sell at Panama City before resuming the California journey. As usual, Rabe was playing to the gallery: "I beg leave to inform you now that I have the honor of having brought here, to the astonishment of the natives, the first American horse, the first wagon, and launched the largest craft which has yet been built on this river." Along with advice to others who were contemplating a trip to California, Rabe described some of the more interesting customs of the region. In one of the streams he had observed native women "bathing in full undress, consisting of a straw hat and a cigar in their mouths, all the signs of civilization I could see about." [13] A lesser man would have assumed the role of interested spectator at such a moment, but Rabe perhaps thought most of all of the impression which he could make on the natives and how the story would add to his stature as a most unusual person when it appeared in the Franklin paper.

Another Franklin citizen on his way to California saw Rabe at Panama City in late April, and reported that the doctor was asking $1,000 for his horse,[14] indicating that Rabe perhaps had created a sensation somewhat in proportion to what he desired. His brief local career remained fresh in the minds of Franklin citizens, his return visits from California always being announced in the local paper. After the death of his brother Charles in the

[11] *Ibid.*, Feb. 1, 1849. [12] *Ibid.*, March 29, 1849. [13] *Ibid.*, May 3, 1849.
[14] Letter of I. P. Yaney from Panama, *ibid.*, April 28, 1849.

yellow-fever epidemic of 1854,[15] however, he passed from the Franklin scene altogether.

Perhaps he no longer cared, since he had already achieved a triumph in his old home town, where he had felt compelled to walk sedately as a youth, so great as to attract attention in the press of neighboring states. The Greenville editor in 1853 reported a visit from Dr. Rabe of California:

Everything about him seemed to be of massive gold. On the head of his walking stick he had seventy-five dollars worth of pure, virgin gold! His watch, gnarl-chain, seals, etc., would be almost as oppressive, from their size and weight, to a modern dandy, as a heavy coat of mail was, in ancient days, to a knight-errant. His buttons were solid gold. His spectacles massive gold. We suggested to the doctor that in case the traces of his buggy or carriage should at any time break, he could very well substitute his guard chain, which would be strong enough to pull him to the next village. The doctor spoke in "unmeasured terms of the fertility, richness and prosperity of California."

An annual rent of $15,000 for his California drugstore building had led him to abandon the pestle and mortar, and now he was prospering as a lawyer in the collection field.[16] Perhaps Dr. William Rabe started the California booster's crusade; certainly no man was ever better prepared by temperament and training for that honor.

In sharp contrast to Rabe as a mercantile personality was Andrew F. McClain, a native of Franklin itself, who lived only in quest of the approval of his fellow townsmen. In many ways he represented an early version of the modern "local boy makes good." A Dr. Cissna, a local medical practitioner, engaged McClain to mind his jewelry store, and from this opportunity Andrew's rise was rapid. In 1848 the local editor called Andrew worthy of patronage; he was a native of Franklin and "a credit to it." Steady habits and mechanical genius were only part of his gifts. While pursuing his studies in French, English, mathematics, and music, he had found time to learn the art of printing, being an excellent French and English compositor and pressman. Per-

[15] List of deaths, *ibid.*, Nov. 20, 1854.

[16] Article in Greenville (S. C.) *Southern Patriot*, Jan. 27, 1853, quoted in Huntsville *Democrat*, Feb. 17, 1853.

haps his ability as a silversmith accounted for his studies in the field of dentistry, etc., the editor finding it dangerous to limit his description of the accomplishments of so versatile a young man to a set number. With all this, Andrew was frugal, and the editor felt that he had achieved more than nine tenths of the young men who wasted so much time in college.[17]

Andrew continued to bask in the light of popular approval for several years, editorial comments indicating that he followed a course which pleased accepted standards in the little world where he lived. In time he became the sole owner of the jewelry store, and showed his progressive nature by adding a "magnificent show case" to display the more precious items which he purchased in New Orleans. Occasionally, too, his name appeared on local dance committees, indicating that his struggles to rise from the ranks had not been in vain. By 1853 he was able to advertise as a "dental surgeon and jeweler," [18] a combination reflecting the maturity of his mechanical genius. In contrast to Rabe, Andrew seemed constantly surprised and pleased at the world's approval, perhaps in a Uriah Heep manner, and wanted people to know that he had risen from a lowly position.

Simeon Smith, probably the largest storekeeper in Franklin, possessed a still different personality. Born in Connecticut in 1796, this Yankee displayed a real love for merchandising and a seemingly complete disregard for popular acclaim. His business habits, advertisements, and way of life all seemed to typify rock-ribbed New England in the best sense of the term. He came to Louisiana at the age of thirty-four and engaged in mercantile business at Franklin until yellow fever caused his death twenty years later.[19]

Apparently his wealth increased year by year. Clothing, dry goods, hardware, groceries, provisions, and a wealth of other items reached his Franklin store each fall and spring. In 1847 he purchased the schooner, *Colonel Hanson,* a vessel of 131 tons, to transport the merchandise which he bought on shopping trips to New York City. At the same time, a branch store was opened at Pattersonville, some fifteen miles from Franklin,[20] and this operated into the 1850's as Smith and Hine. Smith's advertising

[17] *Planters' Banner,* Feb 4, 1848. [18] *Ibid.,* Jan. 15, 1853.
[19] Obituary of Simeon Smith, *ibid.,* Nov. 3, 1853. [20] *Ibid.,* Sept. 2 and 23, 1847.

was as subdued as Rabe's had been flamboyant. A detailed listing of stock with a general statement of terms constituted his procedure, and he never varied from it. Although Smith never engaged in sugar factorage, he received considerable patronage from local planters.[21]

Occasional service on the town council and the marriage of his daughter to a local lawyer, who later served as mayor, reflected the esteem in which Smith was held. Unlike many other storekeepers, he did not turn to an interest in banks, planting, or politics—so far as the local paper indicates—but devoted himself to purchasing trips for his two stores and a general supervision of his business. The fact that his son chose to follow him in this pattern demonstrates that such a life could be respectable, profitable, and interesting.

His death in 1853 occasioned one of the longest obituaries ever to appear in the local paper. Words such as "upright," "public spirited," and given to "private beneficence" were liberally employed without the extravagant manner of so many contemporary obituaries seeming to creep through. The editorial conclusion to an account of his life represented an honest evaluation: "Leaving out of the question the good works which flowed from his hands in charity, and the facilities in trade which he afforded to poor but well intentioned men, it is scarcely too much to say that Simeon Smith was the pillar and support of the public prosperity of Franklin. . . . Peace to the Ashes, and rest to the spirit of Simeon Smith."[22]

Visitors to the Yankee, Jewish, and Creole shops and stores in Franklin must have been conscious of the divergent personalities of the owners with whom they traded. Moreover, although Franklin seems to have been unusually tolerant toward individual differences, storekeepers varied widely in interest and personality all over the South.

A few common characteristics marked the mercantile occupation, however. The comparative difference in age between planters and storekeepers was quite striking, for instance. Perry County, Alabama, had 144 merchants in 1850 according to the

[21] See the Palfrey Collection. In this are accounts paid to Smith by a Louisiana sugar planter who operated near Franklin.

[22] *Planters' Banner*, Nov. 3, 1853.

manuscript census returns for that period. A comparison of these with 152 planters and farmers from the same county, representing the first 152 names of men listed as such, reveals the heavy emphasis on youth: [23]

TABLE V

Age	Under 20	21–30	31–40	41–50	51–60	61–70	Over 70
Merchants	11	59	51	21	2	0	0
Farmers & Planters	19	45	30	27	23	6	2

Here more than 70 per cent of the storekeepers fell in the age group from 20 to 40, whereas only 50 per cent of the farmers and planters came in the same classification. Most striking of all was the fact that only two merchants out of 144 were beyond 50 years of age. Substantiating evidence of other types indicates that the same situation prevailed generally throughout the interior South.[24]

Attention has already been called to the relatively large number of storekeepers of northern and European origin. While one might also make a case for the thesis that members of the mercantile occupation obtained high office in this period—Andrew Jackson and Abraham Lincoln, for example, having been country storekeepers at one time in their careers—it was certainly true that men did not move directly from country stores into such positions. A few did hold state office. Alabama had one planter-merchant among her thirty-six state senators and six merchants and two planter-merchants among her ninety-eight representatives in the state legislature in 1856.[25] Since merchandising required constant attention, however, storekeepers limited themselves largely to service within their own communities.

Here there was a tendency to develop a position of great influence. While this was primarily economic in nature, it also frequently expressed itself in political terms. Membership on the local city council was quite common, an indication of mercantile

[23] Table prepared from the unpublished Manuscript census returns for Perry County, Alabama, for 1850.

[24] See, for example, obituary of Henry Finch, in Montgomery *Alabama Journal,* Sept. 22, 1826.

[25] *Acts of the General Assembly of Alabama, 1855–56,* Appendix, p. 6.

influence in the rise of interior towns and villages. At least one storekeeper was generally to be found on city councils, and frequently the majority came from that occupation.[26] Self-interest of course made the work attractive. When municipal ordinances covered mercantile and peddling licenses, rates of drayage and the speed at which drays could travel, business hours, rules for the city market, inspection of weights and measures, fire regulations, and similar subjects, it behooved a storekeeper to exert himself to obtain an opportunity to participate in making the decisions.[27]

Storekeepers also probably obtained the majority of local postmasterships. These enabled the holder to frank his own correspondence and also attracted trade. Moreover, the convenience of a local post office to merchant and customer alike led storekeepers to exert themselves to obtain such agencies at the earliest possible time in the history of a village.[28] A variety of other local offices attracted storekeepers, such as justice of the peace and administrator of estates, but none rivaled postmasterships and service in municipal positions in attraction for businessmen.

[26] Newspapers frequently omitted mention of the names of men serving on city councils and it is impossible to compile a list of such names for a consecutive period of years. The following figures are based on lists which did appear, and the merchants serving were identified by comparing the names of councilmen with the names of merchants advertising in the paper at approximately the same time. It is very likely that some merchants on the council were overlooked in this procedure, but the figures err on the side of conservatism in estimates, if at all. At Huntsville, Alabama, in 1829 four of the nine aldermen and the treasurer were merchants, *Southern Advocate*, Jan. 9, 1829; in 1832 four of the nine and the mayor were merchants or very recent merchants, *ibid.*, Jan. 7, 1832; in 1834 two of the nine and the treasurer were merchants, *ibid.*, Jan. 21, 1834; in 1844 seven of the eight aldermen were merchants, the *Democrat*, Dec. 18, 1844. At Baton Rouge in 1823 the mayor and one of the four selectmen were merchants, Baton Rouge *Gazette*, April 9, 1823; in 1828 two of the four selectmen were merchants, *ibid.*, April 12, 1828; in 1829 three of the four were merchants and also the "collector, treasurer, and clerk," *ibid.*, April 11, 1829; in 1832 the mayor, three of the four selectmen, and the treasurer were merchants, *ibid.*, April 7, 1832; in 1843 two of the four selectmen were merchants, *ibid.*, April 8, 1843; in 1845 the mayor, two of the four selectmen, and the treasurer were merchants or former merchants, *ibid.*, April 12, 1845.

[27] See John W. A. Sanford, *The Code of the City of Montgomery* (Montgomery, Ala., 1861), for examples of the subjects included in ordinances by ante-bellum southern towns.

[28] See letter April 13, 1837, Levi Laxton Papers, 1828–1890, University of North Carolina Library, Chapel Hill; also letter and post-office accounts in William C. Grasty and John F. Rison Papers; also letter May 5, 1797, and subsequent correspondence, Letter Book, William Murrell Collection.

Obviously the storekeeper devoted his attention primarily to his immediate business functions. As emphasized throughout this study, he provided the dry goods, groceries, and tools necessary for the operation of farmers throughout the South. In doing this, he served as a middleman between seaboard wholesalers and southern farmers, thus handling the generous and long-range credit which characterized the system. He bartered merchandise for farm crops, and by marketing the latter offered an outlet for southern farms.

In the process of providing these basic economic services the storekeeper naturally contributed to other economic and social activities as well. In processing farm crops for market he provided an elementary type of manufacturing by operating subsidiary enterprises such as sawmills and gristmills. Banking, farming, transportation, and land speculation were all so closely related to his scheme of operation that he had to deal with the problems involved in each. Moreover, storekeepers constituted the central group in the development of interior villages and towns in the ante-bellum period.

Self-interest alone was sufficient to entice merchants to participate in community activities. The services of the Grastys at Mount Airy, Virginia, and of B. M. Lowe at Huntsville, Alabama, have already been mentioned. The same pattern was in evidence elsewhere in the South, as illustrated by the Henderson family at Baton Rouge from the 1820's to the 1850's. The general store which this family opened in the 1820's continued as its major interest for several years. In the 1840's the Hendersons directed their energies to other activities, although occasional advertisements of items such as castor oil or cotton gins on consignment for planters reflected a continued interest in merchandising. The sale of land and slaves indicated the usual interest in planting.

The Hendersons were prominent in public life. On at least two occasions members of the family edited the local paper. They also held high office in the state militia and in the Masonic lodge. One of the family became interested in agricultural societies after his removal to a plantation some two miles from town in the 1840's. Local public offices, such as the presidency of the parish police jury and membership on the board of inspectors

for the state penitentiary, which was located at Baton Rouge, were held by the family. At various times they had investments in local distilleries, sawmills, woodyards and iron foundries. Like B. M. Lowe, Colonel Stephen Henderson was highly recommended for state senator in 1846. The local paper emphasized his long residence in the community and his marriage into a Baton Rouge family. His large property two miles from town and his interests within the city limits were additional attributes in his favor. Henderson's success as a mechanic and as a businessman was commended by the editor, who felt that whatever he might lack in "lawyer-like oratory" would be offset by his skill as an effective debater.[29]

While newspaper work, manufacturing, and planting consumed an increasing amount of this family's time, they started as storekeepers, and capital for other activities came from merchandising rather than the other way round. Like the Grastys and Lowe, the Hendersons moved up the economic ladder, but in doing so they created a long and substantial record as leading citizens in the communities where they opened their first stores.

The success achieved by the country and interior store as a basic southern institution can be measured in various ways. The tendency of the South to fall behind the national average in commerce and manufacturing and a growing hostility toward the North occasioned by the slavery conflict stimulated southern critics to examine their economy and society with a view toward defending these or demanding changes to improve existing conditions. Such appraisals alone seem to have provided adverse judgments against country and interior stores.

Hinton R. Helper's *Impending Crisis,* which was written in the late 1850's, represented the vehemence with which such attacks were levied. Helper's love for the South and his desire for its material improvement led him to castigate the leaders whom he considered responsible for its backwardness. Storekeepers were severely condemned for purchasing goods in eastern markets, and were listed along with slaveowners as enemies of the South: "Southern merchants, slaveholders, and slave-breeders, should

[29] The Baton Rouge *Gazette* carries the story of this family in editorials, news items, and advertisements from the 1820's into the 1850's. Samuel Skolfield and Montgomery Sloan, merchants, also attained recognition over a period of years in Baton Rouge.

be the objects of our censure; they have desolated and impoverished the South; they are now making merchandize of the vitals of their country; patriotism is a word nowhere recorded in their vocabulary; town, city, country—they care for neither; with them, self is always paramount to every other consideration." [30]

Although violently anti-Negro in sentiment, Helper considered slavery as basically responsible for southern economic backwardness. Moreover, he felt that the commercial groups had allied with the slavocracy to the injury of the southern yeoman farmer. Helper's judgment, as that of the only member of the yeoman class to attack the slavocracy and its allies at length in print, cannot be ignored.

The value of his testimony is lessened in a number of respects, however. His southern contemporaries were inclined to consider the *Impending Crisis* as an unwarranted attack on southern institutions. The limited sale of the book in that section indicated little sympathy with Helper's point of view, at least among the literate classes. The less prosperous elements in southern society conceivably might have accepted his thesis if the book had circulated widely, but such a test was never made. Moreover, Helper did not specify the basis of his attack on the mercantile class with sufficient exactitude even to permit a reasoned judgment as to the places where he thought it had been remiss. To him, the slow economic development of the South was sufficient evidence on which to condemn southern merchants.

D. R. Hundley, writing in the same period, also delivered a scathing indictment of the mercantile class. In his estimation, merchants everywhere, northern as well as southern, were generally a bad lot: ". . . shrewd, sharp, cunning fellows; glib of tongue, full of their own conceit, but prodigal of bows and compliments, and always smiling of countenance, yet, did one credit their own most solemn asservations, always selling at a 'most tremendous sacrifice.' " [31]

Merchants and clerks alike were liars and cheats who fawned on the rich and browbeat the poor in order to dispose of shoddy

30 Helper, *The Impending Crisis of the South,* 335.

31 Hundley, *Social Relations,* 101. See pp. 100–17 for his description of mercantile types.

wares at exorbitant profits. Village storekeepers were the worst of the lot since they went even beyond the common practices of lying, swindling, and selling auction-bought seconds as the latest styles. Hundley insisted that such men encouraged farmers to purchase goods on long credit as a means of obtaining their land and slaves at forced sales when obligations had reached the point where court action could be started.[32]

Hundley's criticism centered on what he called an inordinate love of gain. Men afflicted in this manner were termed "southern yankees," an epithet not limited to its place of origin. In his estimation, the breed was universal, and many of the worst Yankees were southern born and without a drop of New England blood in their veins.[33] Although farmers and slave traders occasionally belonged to the group, storekeepers furnished the most pronounced specimens in existence. His willingness to exempt a few merchants from his condemnation did little to soften the intemperate impression which his words conveyed.[34]

Helper and Hundley constitute virtually all the contemporary evidence of note against the mercantile class. Helper's earlier career as a North Carolina farmer and Hundley's experience as an Alabama planter did not prevent them from agreeing in the 1850's that the mercantile group had failed to meet its obligations. While Hundley's complaints were specific in nature, he offered no evidence to support his charges. Like Helper, he attempted to look at southern society in a broad way. In doing so, he expressed more of an exasperation that the South had been driven to the defensive than any widespread, smoldering, southern resentment against commercial men. The writer has found no evidence of the latter, and the two critiques of southern society were published too near the opening of the Civil War to judge whether their inflammatory statements against merchants could have created a wave of opposition.

Other sources of comment were distinctly favorable to storekeepers and also circulated much more freely than the books by Helper and Hundley. Commercial journals like *Hunt's Merchants' Magazine* and *De Bow's Review* naturally supported commerce and manufacturing. These contained articles by southerners from a wide variety of occupations, all of whom

[32] *Ibid.*, 138–39. [33] *Ibid.*, 130. [34] *Ibid.*, 138–39.

praised mercantile contributions to civilization, urged businessmen to still greater philanthropy and public service, and discussed the social standing of this class.

Such articles unanimously agreed that commerce had aided civilization. It had brought the rice and cotton of Egypt into the Carolinas and the sugar of Asia into Louisiana. Mercantile contributions to schools and libraries had supplemented Christianity in raising the standards of the human race. Some also recognized that commerce had provided liquor for the North American Indian and opium for the Chinese, and that constant association with money stimulated an interest in material things. Nonetheless, while mercantile standards could be improved, all agreed that mercantile virtues far outweighed any faults, and that the occupation was honorable and worth while.[35]

Contributors disagreed, however, as to whether society had given sufficient recognition to businessmen. William J. Grayson of South Carolina, writing in *De Bow's Review* in 1847, thought that the merchant's right to rank with the most exalted was being more widely recognized each day, but implied that he still had not achieved his rightful honors.[36] Benjamin F. Porter of Georgia was even more positive in an article in *Hunt's Merchants' Magazine* the following year. Of late he had frequently heard agriculturists express a deeply rooted prejudice against merchants as swindlers who lived by their wits and without making any real contribution to the public good.[37]

In contrast to this, De Bow himself in 1847 claimed that merchandising was no longer considered disreputable in the South. As evidence he called attention to young aristocrats with college educations who were preparing for a mercantile career in

35 See a series of articles entitled "Lectures to Business Men," by the Reverend Henry Dennison of Charleston, *De Bow's Review*, XXVI (Feb., 1859), 149–61; (March, 1859), 257–67; XXVII (Oct., 1859), 444–53; and XXVIII (Jan., 1860), 66–76. Also J. T. Hedrick, "A Sermon of Commerce," *Hunt's Merchants' Magazine*, XXVIII (June, 1853), 672–82; and Ben Casseday, "Dignity of the Mercantile Profession," *ibid.*, XXXV (July, 1856), 54–56.

36 William J. Grayson, "The Merchant; His Character, Position and Duties," *De Bow's Review*, III (Feb., 1847), 93–97.

37 Benjamin F. Porter, "Commerce: And the Prejudice Against It," *Hunt's Merchants' Magazine*, XIX (Oct., 1848), 392–95. A New Yorker speaking before the local mercantile library association in 1840 had quoted the southerner McDuffie to much the same effect. See Charles King, "Commerce as a Liberal Pursuit," *ibid.*, II (Jan., 1840), 2–24.

Charleston firms.[38] In 1856 former President Tyler, speaking to the mercantile library association of Petersburg, Virginia, was even more positive concerning mercantile standing: "He [the merchant] has won for himself the universally-acknowledged title of Thane and gentleman. Let him aspire to a position still more exalted—that of the philosopher and man of letters." [39]

Most flattering of all, however, was the comment of the editor of the *North American Review* in 1856: "Commerce is now the chief estate, the controlling power, the paramount interest of the civilized world. . . . In this country, commerce is at the North unrivalled in position and power; in the South, in proportion to their relative numerical forces, it is a competitor on more than equal terms with the proprietary aristocracy. To a larger degree than is generally conceived, it holds or bestows the chief places in society. . . . Commerce is emphatically a liberal profession, both in the pre-requisites for success in it and in the training which it gives." [40]

These seemingly contradictory judgments can easily be harmonized. The editors were not pursuing an unusual course in printing such conflicting opinion. Periodicals devoted to special interests generally welcome articles which praise the dignity and high standing of the subscribers as well as comments which insist that the occupation has not received its proper due. Contributors to these two commercial journals agreed on the power and dignity of commerce; they varied only on whether the public recognized this sufficiently. Most of them were special pleaders on behalf of commerce. Nonetheless, because such journals are reasonably accessible to research students, they have been followed too frequently as good evidence of commercial standing in the South. Professional journals contain much trustworthy material concerning the occupations which they represent, but seldom offer a reliable estimate of the contemporary standing of the class served. In this instance, the journals are valuable largely

[38] J. D. B. De Bow, "Direct Trade of Southern States with Europe," *De Bow's Review*, IV (Oct., 1847), 208–25.

[39] John Tyler, "The Merchant of the Past and Present," *Hunt's Merchants' Magazine*, XXXIV (May, 1856), 542–48.

[40] Quotations from statements of editor of *North American Review*, July, 1856, issue, in *Hunt's Merchants' Magazine*, XXV (Aug., 1856), 258–59.

as showing that the southern mercantile group had capable publicists supporting its cause.

Editors of country newspapers had the best opportunity of all to observe and record the reactions of southerners to country and interior stores. Their opinions, however, were colored by the large volume of advertising from local storekeepers, the revenue from this making the difference between prosperity and want for most country editors.[41] The effects were evident in many ways. Storekeepers were not exempted, for instance, from the universal fondness for punning, but these invariably avoided provocative language. Salisbury, North Carolina, merchants in 1842 undoubtedly had their attention called to one of these in the local paper without creating any malice. The local editor had copied a pun from the New Orleans *Picayune* to the effect that a tradesman who gave short measure was a *measureless* scoundrel, and a second from the *United States Gazette* qualifying the first to the extent that if the cheating occurred in wheat the man was a rogue in *grain*. To this the local editor added the additional qualification that such a transaction in whiskey would make the seller a rogue in *spirit*.[42] Where humor carried the bite of partial truth, such as comments on the universal tendency to stress cheap prices, the papers often applied the story to a northern storekeeper. The Athens, Georgia, sheet in 1845 carried such an account of the Boston storekeeper who made a practice of telling each customer after a sale that he had lost money on the transaction. When

[41] A rough idea of the extent of mercantile advertising can be gained from a comparison of names listed in business directories with those to be found in the advertising columns of local papers. Greensboro, Alabama, in 1855 had some 1,200 population and a well-developed local trade. A directory of Greene County for that year listed nine dry-goods stores, three clothing stores, two drugstores, one confectionary, one bookstore and several grocery stores for Greensboro. During the whole twelve months of 1855 the names of five of the nine dry-goods stores appeared in the advertising columns of the Greensboro paper, although one of these, B. Gulley and Company, did not advertise until it was ready to close out business late in the year. All three clothing stores, the two drug firms, the confectionary, and the bookstore ran announcements of their goods, and two grocery stores also advertised during the course of the year. Firms thus advertised almost 100 per cent in all lines except dry goods, where approximately half the stores listed their merchandise. See Snedecor, *A Directory of Greene County for 1855–6*, p. 66, and Greensboro *Alabama Beacon* for the year 1855. Competition seems to have been less severe in Greensboro than in many other places and the advertising consequently was not so heavy as that prevailing in some communities.

[42] *Carolina Watchman*, Dec. 24, 1842.

asked how he could stay in business under such conditions, he replied, "Oh! I couldn't stand it at all, only I do so much of it." [43]

More positive proof of this close relationship was evident in occasional suggestions to prospective advertisers that "you tickle us and we'll tickle you." [44] Certainly, any threat to local mercantile interests brought an immediate comment from the local paper. Peddlers were attacked for supposedly dishonest dealings and for stealing trade from storekeepers who paid taxes to support the local community. Indignation was easier to maintain because peddlers seldom advertised in newspapers.[45] Local and state tax regulations which displeased storekeepers were attacked by country editors, and stores even were advised to band together to refuse to sell to customers who were negligent in paying accounts.[46] The editor of the Baton Rouge sheet in 1842 fought and helped outlaw plans to establish an outlet store for goods made by convicts in the state penitentiary, which happened to be located in that town, on the grounds of unfair competition to local businessmen.[47]

Comments which would help sustain charges of the type made by Helper and Hundley were lacking in rural papers; instead, they complimented their advertisers with "plugs" in the news columns. The system became widespread in the 1840's and 1850's, with considerable ingenuity being displayed in constructing "news" items designed to call attention to merchandise. In

[43] *Southern Banner*, Oct. 21, 1845. Storekeepers were guilty of overdoing the claim of low prices. Thomas Webber and his partner of Byhalia, Mississippi, in 1861 did so well in closing out for "cost at cash" that Webber recorded an intention in his diary of keeping this plan as a permanent fixture in a proposed new store at Oxford, Mississippi. Thomas Webber Diary, 1861, Duke University Library, Durham.

[44] This comment was made by the editor of the Shelbyville (Tenn.) *Bedford Yeoman*. On September 7, 1853, he headed a whole column of material with the caption "Away from Home," and then gave a description of his recent trip to Nashville and of the fine firms which he had visited there. He commented at length on how the wide circulation of his paper and its consequent value as an advertising medium could combine with the natural advantages of Nashville to make that city a leading wholesale center. Most editors confined their campaigns to retailers in their own vicinity, but all sought advertising.

[45] See comment in Baton Rouge *Weekly Comet*, May 6, 1855, and in Opelousas *Courier*, Jan. 28, 1860.

[46] See article from the Tennessee *McMinnville Enterprise*, quoted in *Bedford Yeoman*, Sept. 7, 1853; also article entitled "Mercantile Interest," Port Allen (La.) *Sugar Planter*, March 22, 1856.

[47] Baton Rouge *Gazette*, March 5, 1842.

January, 1857, for example, the editor of the Baton Rouge paper discussed the "improved" Colt revolvers then on display at the store of Montan and Huguet. As a good citizen, he deprecated the evils which flowed from the common practice of carrying concealed weapons, but concluded that the custom was too widespread for local citizens to ignore the wisdom of purchasing the most improved means of self-defense. Six "frothing goblets of eggnog" which another advertiser had delivered in honor of the new year perhaps sustained the editor in his efforts to reward Montan and Huguet for their patronage.[48]

More generalized arguments in support of the whole local business community appeared from time to time, employing many of the ideas still popular today in promoting villages and small towns. In an article on "The Merchants of St. Mary," in 1849, the editor of the Franklin, Louisiana, paper argued that proceeds of the local sugar crop should be retained within the parish as much as possible. While much of the money paid to Franklin stores went north to settle wholesale bills, the profits remained for investments in property which improved the village and surrounding countryside. The editor cited advantages of local stores over those located in New Orleans and concluded that money was saved by buying in Franklin. Furthermore, local residents were invited to remember that Franklin storekeepers were permanent residents of the local community, had their interests and their families in Franklin, were public spirited and enterprising—in short, they were "right down clever fellows." [49] Such evidence of the extent to which editors and storekeepers were united in a common quest for prosperity is abundant in southern country papers and it obviously has to be discounted as proof of mercantile standing.

On the other hand, editors carried some material of less-immediate utilitarian value which still gives an insight into the contemporary reaction to stores and storekeepers. Since this was divorced from prospects of personal gain, it probably represented fairly objective judgments of contemporary society. An article of this type in the Savannah paper in 1803 commented on a local brawl between "mechanics and Quill-Drivers," the

[48] *Weekly Gazette and Comet,* Jan. 5, 1857.
[49] *Planters' Banner,* Oct. 4, 1849.

trouble having arisen from the tendency of young clerks to tease mechanics. The editor warned the latter against "embroiling" in the streets, since this injured one's reputation. As for young merchants, they should learn to respect a man according to his worth and not according to his occupation. After all, labor was not disgraceful.[50] Storekeepers were invariably placed above artisans in such discussions, and merchandising was generally rated among the most respected occupations. It was not uncommon for country papers to chide mechanics who had acquired property for wanting their sons to stand above the father's calling, the children being trained to be idle gentlemen, professional men, or merchants.[51] The Franklin, Louisiana, paper in 1847 advised planters against a tendency to make lawyers, doctors, or merchants of all their sons. Planting, said the editor, was as respectable as any of the three.[52] Commercial journals might suggest a need for recognizing the merchant's importance in society, but country papers almost invariably assumed that he belonged among the most respected classes.

In spite of the country editor's obvious financial interest in the storekeeper's success, considerable importance must be attached to judgments which appeared in rural sheets. The weekly paper was widely circulated in agricultural communities and for many constituted the major intellectual fare. Its tendency to emphasize material favorable to storekeepers should have constituted excellent propaganda unless farmers were completely unwilling to listen. The latter must have recognized the financial kinship of editors and storekeepers, but they also knew that this did not make papers wholly subservient to commercial interests. Country editors were not so completely under the influence of storekeepers that they dared not strike back at injustice to themselves, and they also had to maintain a due regard for the opinions of farmers whose subscriptions supplied the circulation necessary to attract advertising in the first place. If storekeepers dared to send to larger cities for job printing, country papers pointed out that if editors bought merchandise on the same principle the "little imitation" of a merchant would soon be driven to return

50 *Georgia Republican and State Intelligencer,* April 7, 1803.

51 Excerpts from pamphlet by T. Hertell, "Expose of the Cause of Intemperate Drinking, etc.," quoted in *Western Carolinian,* April 24, 1821.

52 *Planters' Banner,* April 8, 1847.

to "his daddy's cotton patch with a flea in his ear!" [53] Since storekeepers tended to belong to the Whig party, Democratic sheets occasionally criticized them, with Whig papers coming to their defense.[54] As has already been pointed out, the occasional quarrel of farmer and storekeeper, involving, for instance, proper and fair procedures in collecting store accounts in periods of depression, found expression in letters to the editors if not in the news columns.[55] At such times editors preferred the role of mediator to that of champion of one of the disputing parties, but they leaned toward the farmer's side. Even when full allowance is made for editorial bias in favor of storekeepers, it is hard to see how any widespread or prolonged resentment or criticism of merchants could have been kept out of country papers. Unlike the strictures of Hundley and Helper, these indicated that stores and storekeepers served a highly useful purpose.

Storekeepers themselves naturally furnished considerable evidence of the social and economic standing of the mercantile occupation, and much of this involved no problem of bias. The age distribution of storekeepers, as compared with planters and farmers, leaves no doubt that older men as a rule preferred some other occupation. As already indicated, part of this came from the tendency of country storekeepers to move over to factorage or other city business connections after experience in smaller communities. More storekeepers shifted to planting than to any other occupation, however. In 70 of 234 biographies compiled by the writer the operation of a farm or plantation in connection with the store or a complete shift to agriculture was mentioned.[56] Newspaper material indicates that the drift to farming

[53] See article copied by Montgomery *Alabama Journal*, March 12, 1850, from the Shreveport, Louisiana, paper, which in turn had copied it from the Jackson, Mississippi, sheet.

[54] The Yazoo City (Miss.) *Whig* of January 3, 1840 carried an article from the *New Orleans Bulletin* defending merchants, and particularly those in the South, from attacks by Van Buren's party. The article stressed the services performed by merchants in building up the country. See also letter headed "The Merchants and Democracy of Salisbury," in *Carolina Watchman*, Oct. 6, 1845. This consisted of a defense of local storekeepers from an attack by the editor of a Democratic sheet. Salisbury was in the Whig section of North Carolina.

[55] See Chap. VII, 178–80.

[56] The 234 biographies were taken from biographical dictionaries, biographical volumes accompanying general state histories, and county histories for various southern states. Most of these were written in the post-Civil War period and in virtually all cases families paid to have the biography published. Such material

may have been even more pronounced. The predominantly agrarian regime which existed throughout the ante-bellum period, and which, judging from the numbers engaged in it, proved attractive, appealed to men who would constitute only a minority class if they continued in commerce.

Mercantile records, however, stress other reasons for the shift of occupation. Some could not resist the prospects of greater profits from cotton growing,[57] while others stressed the speculative nature of business enterprise. The confining, indoor life, which some considered unhealthful, made farming seem attractive by contrast, and still others complained of the hard work involved in storekeeping.[58] M. J. Wright, for instance, started his career as a clerk for a man at Cotton Ridge, Tennessee, who operated both a country store and a cotton gin. He arose at an early hour each morning and walked to the residence of his employer for breakfast, after which he frequently was busy selling goods or weighing cotton until twelve o'clock at night. Wright ultimately advanced to clerkships in larger cities like New Orleans, but he never modified his judgment of the hard labor involved.[59] Similarly, Governor David Campbell of Virginia, who had been a storekeeper in his youth, in 1837 warned a middle-aged relative against the hardships of operating a store in Arkansas.[60]

Most significant of all is the complete absence in mercantile letters and business records of any testimony that storekeeping was socially degrading or that storekeepers experienced any fundamental disapproval of the manner in which they operated. Here the tone was much more in keeping with an appraisal of ante-bellum Georgia society written by George W. Paschal in 1871. Paschal's family had struggled through a series of occupations, such as storekeeping, schoolteaching, innkeeping, and farm-

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is admittedly of very limited value, but, used in connection with other sources, will frequently substantiate points that cannot be settled otherwise.

[57] See Chap. VII, 151–52.

[58] R. E. Riddick, a clerk in Norfolk, Virginia, who was preparing to enter a mercantile partnership thus advised his brother to remain out of storekeeping. He considered the indoor life to be unhealthful, and the small margin of profit on which one sold was in constant danger of destruction by a change in fashion. Letter Feb. 20, 1848, Charles C. Riddick Papers, 1844–1855, University of North Carolina Library, Chapel Hill.

[59] Memoirs of Marcus J. Wright, Tennessee State Library, Nashville.

[60] Letter Aug. 24, 1837, David Campbell Collection.

ing, in order that he and the other children might be educated. Paschal tended to idealize his mother for her sacrifices in helping him to complete his legal education, but his comments on ante-bellum society involved neither violent condemnations nor extravagant adulation of what had been destroyed by the Civil War. Perhaps the success of his own family in improving its social and economic lot caused him to overstate the democratic aspects of ante-bellum society, but he at least spoke on the basis of actual experience. "Men were honored for their intelligence, their virtues, and for those professions and occupations which, in every community, command influence. The clergy, the bar, the press, the physicians, the teachers, the merchants, the inn-keepers, the millers and other avocations which brought men into contact with their neighbors, were the representative men, who controlled popular sentiment and gave direction to the public mind. The influence of these leaders was never measured by the number of slaves whom they owned, but by the strength of their minds and their adaptation to their callings." [61]

The overwhelming bulk of contemporary evidence indicates that the South wanted merchants and respected the occupation. Such factors as long hours and the speculative nature of business apparently counted far more in leading storekeepers to move over to other callings than did the matter of social position. Planters and lawyers were highly respected in the South, it is true, but they were honored more on the basis of wealth and achievement than for simply being planters and lawyers. Small-town lawyers and farmers with only a few slaves stood no higher than crossroads storekeepers. Merchant princes moved in the same company with lawyer-statesmen and wealthy planters, so far as social intercourse was concerned. Southern society was fluid

[61] Paschal, *Ninety-four Years,* 108–109. There is something to be said for the tendency of some modern writers to differentiate scrupulously between the terms merchant and storekeeper, the former being reserved only for those who operated on a large scale. The English traveler, Mrs. Trollope, perhaps more class-conscious than Americans of the period, ate dinner with a group of businessmen at a Memphis hotel during her trip on the Mississippi River. She commented that these men were called storekeepers rather than shopkeepers as in England. See Frances M. Trollope, *Domestic Manners of the Americans* (London, 1832), 41–42. The word "merchant" carried a tone of distinction and storekeepers liked to be so designated. Advertisements, business correspondence, and most newspaper references used the words "storekeeper" and "merchant" interchangeably, and the writer has followed the contemporary practice in the matter.

in nature and money exerted a great influence in determining an individual's standing. Too many southern leaders rose from humble origins for the fact to be disputed. Innate good breeding, intelligence, and monetary success enabled a merchant to move in the highest social circles; without such things no occupation could lead to preferment.

The question of mercantile profits is much harder to determine. For one thing, small business concerns kept books poorly. Periodic balancing of accounts to determine profit and loss seldom extended beyond what the owner had to do in order to make a rough mental estimate of his position. Laborious calculations did not appeal to a storekeeper who operated a business small enough to enable him to keep the over-all picture in mind. Even more of a problem is the difficulty of obtaining adequate records covering comparable periods of time. Individual daybooks, journals, ledgers, letter books, cashbooks, and invoice books have been preserved in quantity, but complete sets of records for country and interior stores are extremely scarce. When these are available, no two sets cover the same years or the same conditions.

The problem of records is further complicated by the highly speculative nature of merchandising and the rapid turnover created by this and other factors previously mentioned. It is no exaggeration to say that the average storekeeper remained in business only a limited number of years, during which he acquired sufficient wealth to transfer to other activities or went bankrupt. Some, of course, remained storekeepers a lifetime, each village or town having one or two men who followed this pattern. These generally seem to have maintained a comfortable way of life, and occasionally one left considerable property. J. P. Michel, a storekeeper and planter at Baton Rouge from the 1820's until his death in 1854, left an estate which the local editor valued at between $150,000 and $250,000. In acquiring this, however, he had been so miserly that the editor commented rather adversely in speaking of his death.[62] In contrast to Michel,

[62] Baton Rouge *Gazette*, Feb. 26, 1854. Storekeepers seem to have varied widely in their standards of living. William Murrell of Statesburg, South Carolina, refused to accept dishes sent out from Charleston for his use on the grounds that he sought only the "useful & decent." Murrell was willing to spend freely for the education and other needs of his children, but in his own method of living

of course, were successful mercantile names like Fisk and Poydras of New Orleans, men who lived happy, well-balanced lives and who made sensible bequests to philanthropic enterprises from their estates. Since country and interior storekeepers of this caliber tended to move on to larger cities, it is understandable why examples of marked success in smaller towns are scarce.

Abundant evidence of a more general nature indicates that southerners considered storekeeping one of the best approaches to wealth. Young men eagerly sought apprenticeships in coastal firms, being willing to serve in these without pay as a means of learning the business.[63] Even country stores like the one operated by the Grastys at Mount Airy, Virginia, obtained cheap help because of the widespread desire to be a merchant.[64] Some southern doctors and lawyers entered those occupations only because their original intention of pursuing commerce as a career had been terminated by inability to obtain employment.[65] The difficulties involved in this were evident in the experiences of Frederick Welcker of Tennessee in getting placed in 1834. Although he had some college training and excellent recommendations, he found nothing available at the towns of Knoxville, Dandridge, or Greenville on visits to those places. At Greenville he learned that a Colonel Chunn of Asheville, North Caro-

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frugality seems to have prevailed. See letter June 21, 1803, Letter Book, William Murrell Collection.

On the other hand, J. W. Worthington of North Carolina owned fine clothes, good tableware, and luxury items, although his business was small. See inventory signed July 8, 1835, Bryan Papers.

[63] William Murrell was thus unable to place his son in a Charleston firm for mercantile training, although he had bought goods there for a number of years, and had to start the youngster in at his own country store. Letters March 28, Sept. 14, and Oct. 5, 1801, Letter Book, William Murrell Collection. See also Lewis E. Atherton, "John McDonogh—New Orleans Mercantile Capitalist," *Journal of Southern History,* VII (1941), 451–81, for examples of indentures trained in Baltimore houses.

[64] Indenture of Beverly B. Walker, Jan. 1, 1847, and of Nathaniel B. Walker, Nov. 11, 1850, p. 320, of William C. Grasty Journal, 1846–47, William C. Grasty and John F. Rison Papers.

[65] Dr. H. V. Wooten of Alabama thought his interests were in merchandising as a youngster, but had considerable trouble finding a job in a store. He recorded in his diary that a boy could not hope to get such a position unless especially well known. Diary of Dr. H. V. Wooten, Alabama Dept. of Archives and History, Montgomery. His remarks referred to the period around 1830 in Georgia. Preston Pond, Jr., of Louisiana, held a job in a store for a year and a half in the early 1840's, but his father failed to place him in New Orleans following that. Since his mercantile career was thus interrupted he turned to law and was admitted to the bar in 1845. Letter Feb. 26, 1845, Calvin Taylor and Family Collection.

lina, wanted a clerk. Welcker borrowed a horse to reach Asheville as soon as possible, and was rewarded for his pertinacity with a job in one of Chunn's country stores at a salary of $85 and board for the first year.[66]

Such scrambling for commercial places gave point to a letter directed to "any murchant at Montgomery Ala" which appeared in the local paper in 1860: "my friend Sir I now indever to wright an request yr imployment With you a hole sale and retail grocery I wish to get imployment in keeping grocery as clerking at least in Some Buisness house I wish to git a situation With some good murchant I am a young man, twenty one year of age Just sot out in the World. I can Brin a Good Reccomondation With me I have Ben living in two miles of ______ 17 year Those few lines is to any murchant at Montgomery Ala Dear Sir let me hear from you as soon as this comes to hand I hope to hear from you soon Address"[67]

Whether apocryphal or not, the letter represented the dream of many a country boy anxious to ascend the economic ladder by means of merchandising. A story circulated in the early days of Butler County, Alabama, that because of the prevalence of stores at the homes of settlers even the roosters boasted of their master's prospects. Travelers approaching a settler's house were

[66] Letter Aug. 2, 1834, Welcker Papers. Similarly, Robert Harris in 1797 was ready to abandon his studies at the University of North Carolina if he could get a place in a store. As late as 1803 he had not succeeded. Letters Sept. 22 and Nov. 27, 1797; and Jan. 6, 1799, Charles Wilson Harris Papers 1777–1803, University of North Carolina Library, Chapel Hill.

Salaries of experienced clerks were fair as compared with other occupations, but were insufficient to account for the popularity of merchandising. The highest salary, with one exception, that the writer has seen listed for clerks in mercantile records was $300 a year and board which John Read paid his head clerks at Huntsville in 1836. John Read Journal. Salaries more commonly ran around $100 a year, although this was supplemented by permission to sleep in the store as a means of protecting it from prowlers and by board in the merchant's home or that of some other family in the community. Grasty paid less than $100 a year and board at Mount Airy, Virginia, Journal, 177–78, and he and his partner paid clerks at their large Danville store in 1859 the following annual rates with board: $250, $150, $150, $138, $100, Grasty and Rison Journal, entries Dec. 31, 1859, William C. Grasty and John F. Rison Papers. A clerk was wanted at Cane Hill, Arkansas, in 1837 at $200 a year, letter April 10, 1837, David Campbell Collection. Such wages compared favorably with those in New York City. See "Labor and Wages in New York," article from New York *Tribune* in *Hunt's Merchants' Magazine,* XLII (June, 1860), 750.

[67] Montgomery *Weekly Advertiser,* July 25, 1860.

likely to be astounded by a cock flying up on the front yard fence and crowing "Master's got a store!" [68]

The same optimism prevailed among beginning merchants and even among more experienced men at certain periods. J. H. Jelks figured book profits at his Uchee, Alabama, store in 1852 at from 30 per cent to 100 per cent. At the same time, he was encouraging relatives who had remained on what he called the old, red-clay hills of North Carolina to join him in a migration to Texas where still more fabulous profits could be made.[69] Jelks of course represented inexperienced agricultural opinion of mercantile profits. On the other hand, David Campbell, an experienced storekeeper of Lebanon, Tennessee, was driven by the effects of the Panic of 1837 to move his business to Arkansas. Shortly after settling in the Cane Hill community in that state, Campbell estimated that he could make a fortune in three years if other stores did not move in to compete with him.[70]

The basis for such optimism was well put in a pamphlet published in London in 1842 in an endeavor to attract English tradesmen to East Tennessee. The author, J. Gray Smith, exhibited marked familiarity with local mercantile operations in his composition of the appeal. Immigrants might be astounded at first, said Smith, because of the necessity of stocking everything from a tin cup to a silk dress, but he assured them they would have no trouble in acquiring a knowledge of all types of merchandise in a short time. They would also be surprised to find that farmers paid store accounts only once a year, but there was no danger in the system since all were freeholders and perfectly "good" for what they bought. It was true, too, that payments for goods were often made in homemade cloth, beeswax, whiskey, flour, and bacon, but these constituted excellent remittances for goods bought in wholesale markets and frequently returned an additional profit. Goods were sold at a 100 per cent advance and, since charges, carriage, and exchange did not run above 30 per cent, a profit of 70 per cent was realized on almost every item except sugar and coffee. These things, said Smith, accounted for

68 John B. Little, *The History of Butler County, Alabama, From 1815 to 1865* (Cincinnati, 1885), 41.

69 Letters May 11 and June 23, 1852, Sills-Jelks Papers.

70 Letters Feb. 11, March 17, and April 10, 1837, David Campbell Collection.

so many Knoxville merchants having handsome country residences and being almost invariably wealthy.[71]

Smith's pamphlet provided the most perfect description of the mercantile heaven that appeared in the ante-bellum period. His outline of the scheme of mercantile operations was factually exact. If prices for farm crops were sufficient to enable farmers to pay store accounts, if the merchant could make satisfactory disposition of produce taken in exchange for merchandise, and if shipments of goods and produce escaped the hazards occasioned by slow and unreliable methods of communication—then the customary markups provided returns as good as, or even better than, the estimate which Smith suggested. The system was comparable to modern football in that perfect execution of a play brought a touchdown, but the reward was high because of the hazards involved. High markups enabled the system to operate; they did not assure profits year by year.

The susceptibility of the system to market declines was of course most obvious in periods of panic and depression. The Panic of 1837 undoubtedly saw a greater percentage of mercantile failures than has ever occurred in any other comparable period of American history. The extent of this was indicated in the comments of a member of a New York wholesale house who traveled widely in Alabama, Kentucky, Louisiana, and other southern states from 1837 to 1839 in an endeavor to collect enough from country storekeepers to prevent his own firm from going into bankruptcy, an object that failed in spite of almost superhuman effort on his part. His appraisal of conditions in Mississippi represented fairly accurately the situation as he found it all over the South: "Never were a set of people more completely used up than the Mississippians. There are not a dozen merchants in the state that I would trust with an old pair of breeches. In fact the whole west and south is literally used up and it will be some time before they can recover." [72]

Even in more normal times the rate of mercantile bankruptcies was distressingly high, and this occasioned frequent comment in commercial journals in both North and South. *Hunt's Mer-*

[71] Smith, *A Brief Review of East Tennessee*, 54–55.

[72] Letter written middle of March, 1839, by Isaac Boyd, Bryan Papers.

chants' Magazine pursued a very frank policy in warning merchants against the dangers inherent in their occupation. Comments in 1840 by General Henry Dearborn, who had served as collector of the port of Boston for almost twenty years, continued to attract attention. Dearborn's statement that of every one hundred merchants and traders in Boston not more than three acquired an independence was revived by Hunt in 1846, with additional comments from an "intelligent gentleman of Boston." The latter had been told that only five of each one hundred commercial traders in New York in 1800 still remained in business in 1840. The rest had failed or died destitute of property. A director of a local bank, who had observed the business of his institution since 1798, affirmed that of the original one thousand accounts which the bank had when it opened only six remained in 1840. "Bankruptcy," said he, "is like death, and almost as certain; they fall single and alone, and are thus forgotten; but there is no escape from it, and he is a fortunate man who *fails young.*" [73] De Bow's journal carried articles which acknowledged that the rate of mercantile bankruptcies was higher in the South,[74] and even southern country papers were sufficiently impressed by the startling nature of remarks like Dearborn's to publish these.[75]

Both northern and southern papers commented on the tendency of young men to crowd into occupations like merchandising where there was a chance to make money or acquire political and social distinction, when these very occupations in the long run meant failure for most of those engaged.[76] Some felt that farmers were favored over storekeepers by not being sold out so rapidly in case of failure but, whatever explanation was advanced, it was generally agreed that merchandising witnessed a high rate of failures. Because of this, *Hunt's Merchants' Magazine* and *De Bow's Review* both carried articles frankly advising storekeepers

[73] "The Chances of Success in Mercantile Life," *Hunt's Merchants' Magazine*, XV (Nov., 1846), 475–77.

[74] Logan McKnight, "Insolvency Among Merchants," *De Bow's Review*, XVI (March, 1854), 311–19.

[75] Opelousas *Gazette*, Sept. 3, 1842. The various dates at which Dearborn's speech continued to appear following its delivery in 1840 indicates the widespread interest which it aroused.

[76] Article quoted from a Cincinnati sheet in Tuscaloosa *Independent Monitor*, Aug. 24, 1847.

to view bankruptcy in a philosophical manner and to meet it without surprise.[77]

While the rate of failures justified such articles, they were misleading in one way. The long periods for which credit was extended and the ease with which it could be obtained made storekeepers particularly susceptible to failure in times of stringency or bad crops. The very same factors, however, meant that a man could be closed out one year and back in business the next, with a stock of goods advanced to him on credit and for a sufficient period of time to enable him to sell it at retail before paying the wholesaler. Bankruptcy thus was hardly as permanent in its effect as it became in the post-Civil War period.

The speculative nature of merchandising was relatively greater in the South because of the addiction to commercial, capitalistic agriculture and the greater burden of fixed costs which prevailed. This speculative situation accounted in large part for the attractiveness of merchandising to young men and the tendency of older storekeepers to transfer to other occupations. High markups gave those who entered the occupation early on the rising business curve an opportunity to acquire wealth. Although markups also served to cushion losses in the reverse situation, storekeepers who started business in such periods or on the eve of a real depression were wiped out in great numbers. So compelling was this condition that attempts to estimate entrepreneurial contributions to mercantile profits must be viewed with considerable skepticism. As late as 1858 Freeman Hunt himself advised a clerk that a mercantile life was not the surest road to a competence or fortune because of the speculative factors involved,[78] factors against which Hunt seemed to feel that the individual could not insulate himself. High markups and widely fluctuating net-profit margins thus continued to characterize storekeeping as late as the Civil War period.

In terms of long-range historical perspective, it is evident that the store enabled the southern middle class to operate its farming economy by supplying merchandise, credit, and a marketing system for farm crops. In comparison with modern conditions

[77] *Hunt's Merchants' Magazine,* XXIX (Sept., 1853), 315–19; *De Bow's Review,* VIII (Jan., 1851), 76.

[78] Freeman Hunt, "The Choice of a Business," *Hunt's Merchants' Magazine,* XXXVIII (Feb., 1858), 258.

the costs for this were extremely high, as reflected in the markups on goods. Retail prices on staples like sugar and coffee approached their modern counterparts, for instance, although common labor did well to average one dollar a day in wages and even skilled artisans averaged no more than two.[79] In such circumstances, the per capita consumption of staples was necessarily low. Around 1860 the per capita sugar consumption was probably 30 to 35 pounds a year, in contrast with 95.5 pounds per year in the period 1930–39.[80] Similarly, coffee consumption per capita in the decade of the 1850's averaged 6.78 pounds a year in contrast with 12.30 pounds in the period 1926–30.[81]

These figures represent national averages, however, and demonstrate that merchandise was high all over the United States in the ante-bellum period, a condition still more evident in the following table of index numbers for real wages between 1820 and 1900:

TABLE VI

Year		Index Numbers	Cost of Living	Real Wages
1820		36	88	41
1830		37	72	51
1840	(Index numbers	41	80	51
1850	of money wages	43	73	59
1860	based on 1913	47	82	57
1870	as 100)	84	119	71
1880		66	86	77
1890		74	77	96
1900		77	76	101 *

* Martin, *The Standard of Living in 1860*, Table 22, Appendix B. Table taken from Alvin H. Hansen, "Factors Affecting the Trend of Real Wages," *American Economic Review*, XV (1925), 32.

Southern country storekeepers aroused no continuing antagonism on the part of their customers partially because prices were high everywhere in the United States. They also were fully aware of advanced business practices in other sections of the country and experimented with these even before local conditions permitted their adoption. Customers who complained of

[79] Edgar W. Martin, *The Standard of Living in 1860. American Consumption Levels on the Eve of the Civil War* (Chicago, 1942), Table 15, Appendix B.

[80] *Ibid.*, 36–72.

[81] *Ibid.*, 42.

mercantile ignorance of sound business policies must have found a ready answer from storekeepers, if the knowledge of national practices displayed by the latter is any indication of their ability to sustain their own plans of operation in debate. It is also clear that population growth, transportation, communication, and other factors which affected the market served by southern stores played a far greater part in shaping the organization and progress of southern merchandising than did any influence of tradition or inertia.

At least part of the support given to storekeepers by southern country editors must have developed from a recognition of the above factors. Even coastal papers with an obvious interest in the success of programs instituted by the southern commercial-convention movement, such as direct trade with Europe, at times recognized the operation of more compelling forces than propaganda. A letter in the Augusta paper in 1839 suggested that it was most desirable for delegates to the Charleston meeting to be "practical" merchants. But, said the writer, these men on whom the success of such meetings depended were not parties to the conventions; they spent their summers in the North purchasing goods, and explained to anyone who cared to ask that they already had their connections to the northward where they could select from large stocks of goods and benefit from long credits. The writer implied that support of internal improvements to facilitate the movement of commerce was a far more feasible project than an attempt to revive direct European trade without first changing the basic conditions of southern economy.[82]

Growing hostility toward the North in the 1850's did not lessen the tendency of storekeepers to publicize the eastern origin of their goods. Southern country papers supported the growing sentiment for the development of a southern system of trade in the same period, but most of them also agreed with the stand of the Montgomery paper in 1860 when it recommended that storekeepers be freed of any quixotic demands to change the direction of their wholesale business until customers were ready to support them in the undertaking.[83]

[82] Letter signed "Q," *Tri-Weekly Chronicle & Sentinel,* April 9, 1839. Allowance of course has to be made for jealousy among southern seaboard cities.

[83] Montgomery *Weekly Advertiser,* May 16, 1860, and other articles during the course of the same year.

The economic adjustments made by farmers and storekeepers, planters and factors, as individuals, in the period 1800–60 can thus be explained in terms of "enlightened" self-interest. Cotton took over because the South held a competitive advantage over the rest of the world, and the marketing structure was in large part an adjustment to this fact. On the other hand, it is true that storekeepers seem not to have exercised themselves over the needs of the South as a whole. The Charleston commercial convention in 1839 appointed the famous Committee of Ten, to be composed principally of interior and country storekeepers, to consider the relative advantages of southern and northern-coastal wholesale markets. A real effort must have been made to obtain actual mercantile representation, but the results were not encouraging.[84] Storekeepers visited eastern markets as usual in preference to meeting with other southerners at Charleston to discuss the nature and needs of southern economy. To those who believe that "enlightened" self-interest is always compatible with public interest, however, it can be affirmed that the South as a whole, as well as individuals, made a reasonable economic adjustment in terms of comparative advantage.

[84] F. H. Elmore of Charleston was chairman of the Committee of Ten, and obviously drafted the report, possibly with the help of Charleston businessmen. The Charleston *Mercury* on April 17, 1839, preceding the report, expressed anticipation of much practical knowledge coming from the committee because of the well-known talents and industry of the chairman. If this resulted, the local community would be still more indebted to Elmore's ability, research, and public spirit. He must have known little concerning the subject firsthand, however. He had been admitted to the bar in 1821 and the following year became solicitor of the southern circuit. In 1824 he had been appointed aide to Governor Manning with the rank of colonel. In 1836 he was elected to Congress and in 1839 became president of the Bank of South Carolina. In 1850 he was appointed to the Senate to fill out Calhoun's term. *National Cyclopedia of American Biography*, II. Country storekeepers may have voted for him politically, but they could be forgiven if they failed to take his knowledge of merchandising seriously. Another member of the committee, Robert J. Gage of South Carolina, was said to be a planter noted for his kindness of heart, clearness of intellect, and sound judgment. His primary interest apart from planting was in politics and he served in the general assembly. J. C. Hemphill (ed.), *Men of Mark in South Carolina*, 4 vols. (Washington, 1907–1909), I, 133. Most of the other members of the committee were more closely related to merchandising, but probably limited their activity to approving the report as drawn by the chairman. For instance, Isaac B. Rowland of Macon, Georgia, had apparently retired from trade and was serving as a member of the Macon city council at the time of his appointment to the Committee of Ten. See Macon *Georgia Messenger*, Jan. 3 and 10, and March 28, 1839. He was improperly listed in the report of the committee as "J. B. Rowland."

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The sources of the newspapers used in this study have been stated in the preface, except for a few files of the Athens, Georgia, paper which were consulted at the courthouse in Athens. The exact location and extent of the files for most may be determined by consulting Winifred Gregory (ed.), *American Newspapers 1821–1936, A Union List of Files available in the United States and Canada,* (New York, 1937), and other bibliographies mentioned in that work, such as C. S. Bingham's list of American newspapers for the period 1690–1820.

Only a few of the books, magazines, and pamphlets cited are so scarce as not to be readily available in most research libraries. They will be found in one of the libraries mentioned in the preface. A definitive bibliography of materials on southern merchandising would constitute a book in itself, since virtually all types of manuscripts and other primary sources are likely to contain something on the subject. Plantation records, legal collections, local and state ordinances and laws, diaries, and similar sources often touch the storekeeper only briefly, but even thus with great value at times. The writer has discussed the nature of western mercantile records in his article "The Cataloging and Use of Western Mercantile Records," *Library Quarterly* (Chicago), VIII (1938), 189–99, and what was said there as to types of mercantile records is true for the South also. The article has one serious omission in failing to discuss the journal, which was part of many sets of mercantile business books.

Only unprinted material, and only that directly pertinent to the book, has been listed in the following bibliography. Most of the libraries mentioned have other mercantile daybooks, ledgers, journals, letter books, and manuscript collections relating to merchandising, but to list all these would extend the bibliography unduly. The following list, therefore, is of manuscripts directly used in the present study and not of all items which were examined.

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